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Fats and Oils Situation

Economics and Statistics Service

FOS-301

U.S. Department of Agriculture

OCTOBER 1980

Approved by the World Food and Agricultural Outlook and Situation Board

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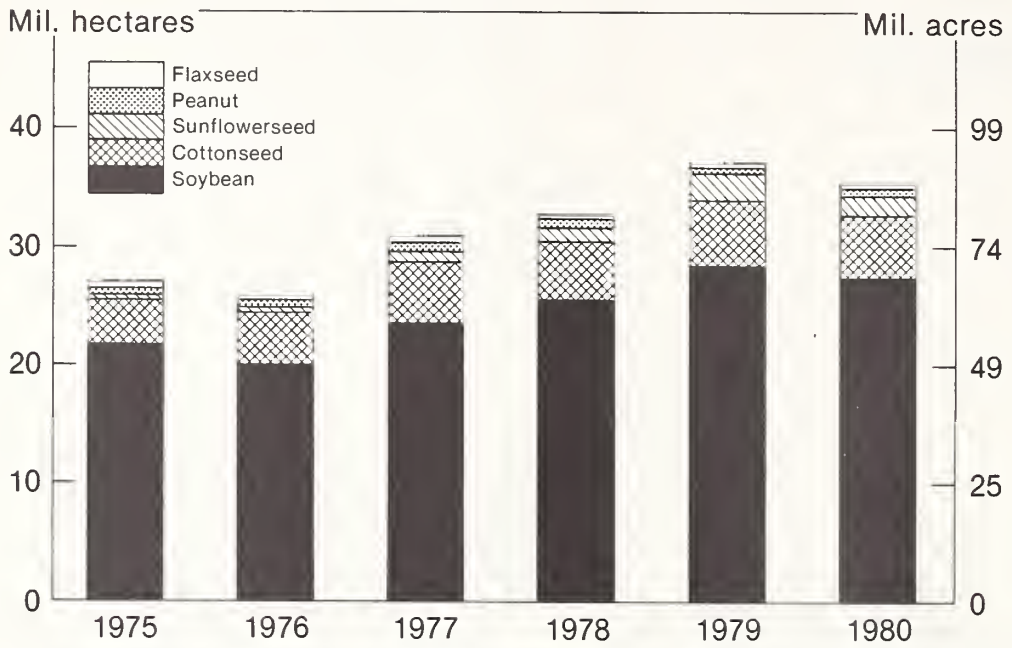
U.S. Oilseed Area Harvested



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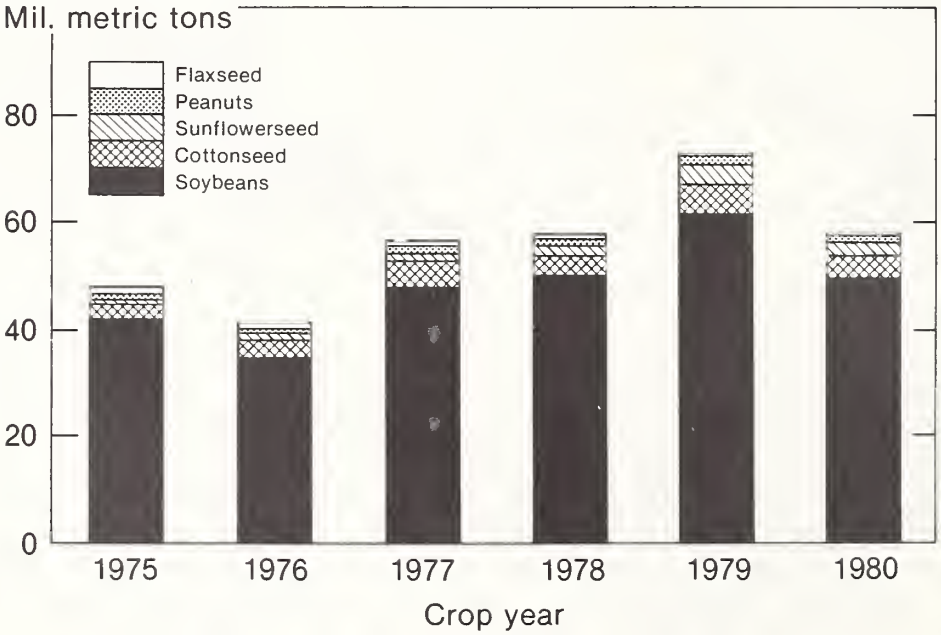
Neg. ESS 152-80 (10)

U.S. Oilseed Production



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SITUATION COORDINATOR
Bruce H. Wright
(202) 447-8776

PRINCIPAL CONTRIBUTORS
George W. Kromer*
Leslie Herren
(202) 447-8444

*Economic Consultant to the Economics and Statistics Service.

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National Economics Division
Economics and Statistics Service
U.S. Department of Agriculture
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SUMMARY

Sharply reduced supplies and higher prices will curtail soybean use in 1980/81. October 1 prospects indicate a U.S. crop almost one-quarter smaller than last year. Supplies will total 2.12 billion bushels (57.5 million metric tons), about 13 percent below the record 2.44 billion of 1979/80.

Soybean disappearance is expected to total around 1.95 billion bushels, about 200 million above 1980 production. Utilization will be about 6 percent below last season. Soybean carryover on September 1, 1981, will be drawn down to about one month's total requirement, or around 165 million bushels. By contrast, the carryover of old-crop soybeans on September 1 this year was 359 million bushels.

Prices of soybeans (No. 1 yellow, Chicago) advanced from about $6 per bushel in May and June to over $8 in mid-October—approximately $1.70 per bushel above the level of October 1979, when the price trend was downward. The price rally was caused by this summer's hot, dry weather.

Prices are expected to continue strong but volatile, averaging about 35 to 40 percent above the 1979/80 farm price of $6.25 per bushel. If harvesting is on schedule from October through December, and if there are no weather complications, prices may decline slightly. But after the harvest, the close supply-demand balance is likely to boost prices even higher than the current $8. Prices in the second half of the season will be influenced mainly by production in South America—now projected at 20 million metric tons, about 1 million above the 1979/80 record high.

As of October 1, the 1980 soybean crop was estimated at 1,757 million bushels, about 23 percent below 1979, with the drop due mainly to reduction of yields. Soybean acreage for harvest is 67.3 million, 5 percent below 1979. The summer drought reduced yield prospects to 26 bushels per acre, down 6.1 bushels from last year's record figure and the lowest yield since 1976.

The *Fats and Oils Situation* is published in February, May, July, and October.

Because of reduced supplies, higher prices, and a drop in U.S. hog production, demand for soybean meal is likely to decline from last year's record highs. In turn, soybean crushings are projected to drop around 7 percent from the record 1,123 million bushels processed last season. U.S. crushing capacity in 1980/81 is estimated at about 1,425 million bushels, compared with 1,350 million last season. With fewer beans to process, the industry will have excess capacity and relatively low processing margins.

Soybean exports are projected to decline around 5 percent from last season's record 875 million bushels. The major markets for U.S. beans and meal are Western Europe, Japan, Eastern Europe, Mexico, Taiwan, and Korea. China has become a major U.S. customer, taking 0.9 million metric tons last year. While the Chinese soybean crop is believed to be larger this year, significant imports will still be needed to meet expanding requirements. Current U.S. export projections do not include an estimate for the USSR.

Like U.S. soybean production, cottonseed, peanut, flaxseed, and sunflowerseed outputs are down sharply. Total oilseed production is estimated at 55 million metric tons, more than a fifth below 1979. However, oilseed carryover on September 1 was higher than last year, partly offsetting the reduced crops. With lower supplies, U.S. exports of oilseeds and products are likely to decline somewhat from the 1979/80 record. But sharply higher prices are expected to boost the value of U.S. exports.

U.S. production of fats and oils in 1980/81 is projected to decline to 14.0 million metric tons, down 3.0 million tons or 19 percent from last year. Most of the drop will be in edible vegetable oils. Production of animal fat (butter, lard, and tallow/grease) will be off slightly as lard output declines about a tenth.

* * * * *

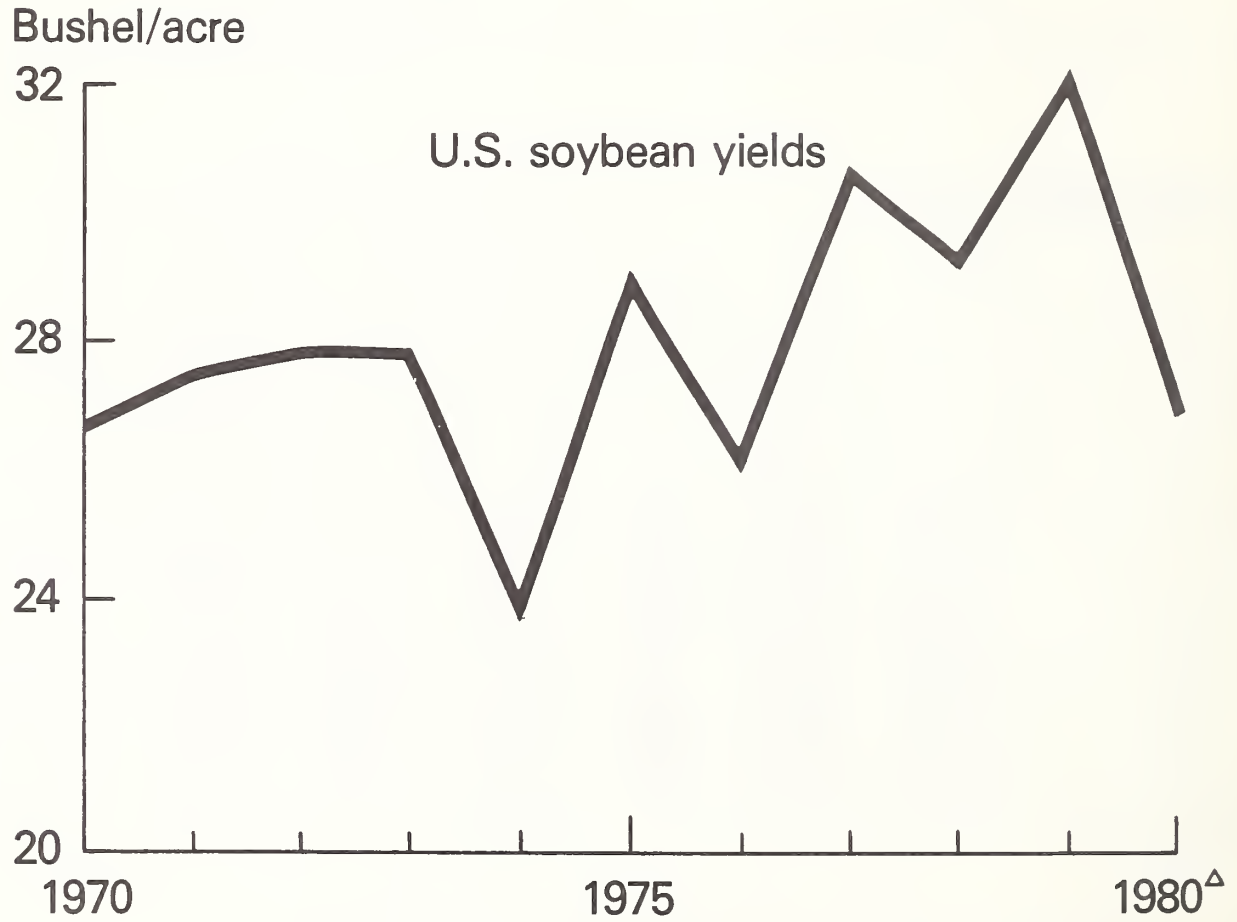


Table 1.--OILSEEDS: ACREAGE AND PRODUCTION, 1955-80

YEAR	SOYBEAN 1/				COTTONSEED 2/				FLAXSEED				PEANUTS 1/				SUNFLOWERSEED 3/				TOTAL 5 OIL-SEEDS ACRES PLANTED
	ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		ACREAGE		PRODUCTION		
	PLANTED	HARVEST-ED	PER ACRE: HARVEST: ED	TOTAL	PLANTED	HARVEST-ED	PER ACRE: HARVEST: ED	TOTAL	PLANTED	HARVEST-ED	PER ACRE: HARVEST: ED	TOTAL	PLANTED	HARVEST-ED	PER ACRE: HARVEST: ED	TOTAL	PLANTED	HARVEST-ED	PER ACRE: HARVEST: ED	TOTAL	
	1000 ACRES		BUSHELS	MIL. BUSHELS	1000 ACRES		LBS.	1000 TONS	1000 ACRES		BUSHELS	MIL. BUSHELS	1000 ACRES		LBS.	MIL. LBS.	1000 ACRES		LBS.	MIL. LBS.	MIL. ACRES
1955	19674	18620	20.1	373.7	17991	16928	714	6043	5148	4914	8.2	40.4	1882	1669	928	1548	---	---	---	---	44.7
1956	21700	20620	21.8	449.3	17077	15615	693	5407	5786	5473	8.6	47.0	1834	1384	1161	1607	---	---	---	---	46.4
1957	21938	20857	23.2	483.4	14310	13558	680	4609	5481	4793	5.2	25.1	1746	1481	969	1435	---	---	---	---	43.5
1958	25108	23593	24.2	580.2	12379	11849	810	4798	3862	3679	10.2	37.4	1702	1516	1197	1814	---	---	---	---	43.1
1959	23349	22631	23.5	532.9	15833	15117	793	5991	3268	2932	7.2	21.2	1576	1435	1061	1523	---	---	---	---	44.0
1960	24440	23655	23.5	555.1	16080	15309	769	5886	3437	3342	9.1	30.4	1526	1395	1232	1718	---	---	---	---	45.5
1961	27787	27003	25.1	678.6	16588	15634	765	5978	2975	2514	8.8	22.2	1524	1398	1185	1657	---	---	---	---	48.9
1962	28418	27608	24.2	669.2	16293	15569	789	6139	3102	2808	11.5	32.2	1507	1400	1228	1719	---	---	---	---	49.3
1963	29462	28615	24.4	699.2	14843	14212	871	6192	3379	3172	9.8	31.0	1498	1396	1391	1942	---	---	---	---	49.2
1964	31721	30793	22.8	700.9	14836	14055	888	6237	2965	2825	8.6	24.4	1487	1397	1502	2099	---	---	---	---	51.0
1965	35227	34449	24.5	845.6	14152	13613	894	6087	2868	2775	12.8	35.4	1520	1438	1661	2389	---	---	---	---	53.8
1966	37294	36546	25.4	928.5	10349	9553	829	3960	2679	2576	9.1	23.4	1490	1421	1700	2415	---	---	---	---	51.8
1967	40819	39805	24.5	976.4	9450	7997	803	3210	2061	1975	10.1	20.0	1474	1404	1765	2477	---	---	---	---	53.8
1968	42265	41391	26.7	1107.0	10913	10159	913	4640	2177	2092	12.9	27.0	1496	1438	1770	2546	---	---	---	---	56.9
1969	42534	41737	27.4	1133.1	11882	11051	736	4068	2661	2605	13.4	34.9	1512	1456	1742	2535	---	---	---	---	58.6
1970	43082	42249	26.7	1127.1	11945	11155	729	4069	2950	2836	10.4	29.4	1518	1469	2030	2983	---	---	---	---	59.5
1971	43476	42705	27.5	1176.1	12355	11471	739	4240	1627	1545	11.8	18.2	1529	1454	2066	3005	---	---	---	---	59.0
1972	46866	45683	27.8	1270.6	14001	12984	831	5393	1189	1149	12.1	13.9	1533	1486	2203	3274	---	---	---	---	63.6
1973	56549	55667	27.8	1547.5	12480	11970	838	5016	1749	1700	9.7	16.4	1530	1496	2323	3473	---	---	---	---	72.3
1974	52479	51741	23.7	1216.3	13679	12547	719	4510	1742	1659	8.5	14.1	1520	1472	2491	3667	---	---	---	---	69.4
1975	54550	53579	28.9	1547.4	9493	8796	732	3218	1621	1511	10.3	15.6	1532	1504	2565	3857	787	709	1109	786	68.0
1976	50226	49358	26.1	1287.6	11656	10914	760	4122	1076	985	7.9	7.8	1549	1522	2465	3750	834	810	1058	857	65.3
1977	58760	57612	30.6	1761.8	13694	13275	755	5521	1410	1314	11.4	15.1	1545	1516	2457	3726	2321	2205	1252	2760	77.7
1978	64383	63743	29.5	1870.2	13360	12371	690	4269	865	835	12.6	10.4	1544	1512	2639	3988	2840	2798	1377	3853	83.0
1979 4/	71586	70524	32.2	2267.6	13947	12816	902	5778	1067	1018	13.3	13.5	1550	1525	2611	3980	5555	5410	1349	7296	93.7
1980 5/	70280	67307	26.1	1757.3	14338	13287	683	4540	824	763	10.4	7.9	1544	1445	1730	2501	3990	3685	1130	4163	91.0

1/ SOYBEANS AND PEANUTS PLANTED ACREAGE GROWN ALONE FOR ALL PURPOSES. 2/ COTTON ACREAGE AND COTTONSEED PRODUCTION.
3/ FOUR STATES (MINNESOTA, NORTH DAKOTA, SOUTH DAKOTA, AND TEXAS). 4/ PRELIMINARY. 5/ OCTOBER 1 INDICATIONS

TABLE 2.--SOYBEANS: ACREAGE PLANTED, HARVESTED, AND PRODUCTION, 1977-80

STATE AND AREA	ACREAGE PLANTED				ACREAGE HARVESTED				PRODUCTION			
	1977	1978	1979 1/	1980 2/	1977	1978	1979 1/	1980 2/	1977	1978	1979 1/	1980 2/
	1,000 ACRES								MILLION BUSHELS			
NORTH CAROLINA	1,450	1,750	2,000	2,030	1,320	1,680	1,950	1,980	29.0	41.2	45.8	39.6
SOUTH CAROLINA	1,350	1,510	1,700	1,700	1,300	1,470	1,660	1,600	26.7	32.3	39.8	22.4
GEORGIA	1,250	1,750	2,150	2,450	1,090	1,680	2,100	1,950	21.8	29.4	58.8	25.4
ALABAMA	1,650	2,000	2,300	2,400	1,600	1,950	2,250	2,050	33.6	41.0	56.3	36.9
TOTAL SOUTHEAST	5,700	7,010	8,150	8,580	5,310	6,780	7,960	7,580	111.1	143.9	200.7	124.3
KENTUCKY	1,350	1,450	1,720	1,650	1,320	1,410	1,660	1,600	40.9	42.3	53.9	36.8
TENNESSEE	2,320	2,530	2,700	2,650	2,220	2,420	2,620	2,500	52.2	56.9	70.7	47.5
MISSISSIPPI	3,750	3,900	4,200	4,100	3,650	3,800	4,100	3,850	78.5	81.7	118.9	69.3
ARKANSAS	4,650	4,750	5,200	4,800	4,600	4,700	5,150	4,450	105.8	115.2	144.2	66.8
LOUISIANA	2,750	2,900	3,250	3,450	2,680	2,840	3,200	3,350	63.0	71.0	89.6	70.4
TOTAL SOUTH CENTRAL	14,820	15,530	17,070	16,650	14,470	15,170	16,730	15,750	340.4	337.1	477.3	290.8
OHIO	3,400	3,780	4,100	3,800	3,380	3,750	4,080	3,760	120.0	125.6	146.9	131.6
INDIANA	3,930	4,200	4,500	4,400	3,900	4,180	4,420	4,350	144.3	144.2	159.1	147.9
ILLINOIS	8,900	9,250	9,800	9,300	8,850	9,190	9,720	9,250	336.3	307.9	374.2	296.0
IOWA	7,100	7,600	8,200	8,300	7,080	7,550	8,170	8,250	251.3	290.7	310.5	305.3
MISSOURI	4,730	5,600	6,000	5,900	4,650	5,540	5,930	5,500	148.8	157.9	186.8	121.0
MINNESOTA	3,800	4,100	5,150	4,800	3,770	4,060	5,080	4,700	133.8	146.2	162.6	145.7
TOTAL EASTERN CORN BELT	31,860	34,530	37,750	36,500	31,630	34,270	37,400	35,810	1,134.5	1,172.5	1340.1	1,147.5
NORTH DAKOTA	180	175	210	210	175	173	206	200	3.5	4.8	5.6	3.6
SOUTH DAKOTA	320	400	700	740	315	390	685	725	9.6	11.9	22.6	17.4
NEBRASKA	1,150	1,270	1,630	1,830	1,130	1,250	1,610	1,780	40.7	42.5	54.7	49.8
KANSAS	1,020	1,520	1,580	1,550	990	1,490	1,560	1,200	28.2	26.8	41.3	18.0
TOTAL WESTERN CORN BELT	2,670	3,365	4,120	4,330	2,610	3,303	4,061	3,905	82.0	86.0	123.1	88.8
ALL OTHERS 3/	3,710	3,948	4,490	4,220	3,592	3,820	4,373	4,262	93.8	130.7	126.4	105.9
UNITED STATES	58,760	64,383	71,580	70,280	57,612	63,343	70,524	67,307	1,761.8	1,870.2	2,267.6	1,757.3

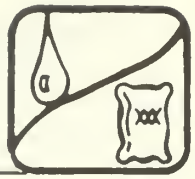
1/ PRELIMINARY
2/ OCTOBER 1 INDICATIONS.
3/ NEW YORK, NEW JERSEY, PENNSYLVANIA, MICHIGAN, WISCONSIN, DELAWARE, MARYLAND, VIRGINA, FLORIDA, OKLAHOMA, AND TEXAS.

Table 3.--SOYBEANS: SUPPLY, DISAPPEARANCE, ACREAGE AND PRICE, 1971-80

ITEM	YEAR BEGINNING SEPTEMBER									
	1971	1972	1973	1974	1975	1976	1977	1978	1979 1/	1980 2/
	SUPPLY AND DISAPPEARANCE (MILLION BUSHELS)									
SUPPLY:										
STOCKS, SEPTEMBER 1	98.8	72.0	59.6	170.8	188.2	244.9	102.9	161.0	174	359
IMPORTS	---	---	3/	3/	3/	---	---	---	---	
PRODUCTION	1176.1	1270.6	1547.5	1216.3	1547.4	1287.6	1761.8	1870.2	2,268	1,757
TOTAL SUPPLY	1274.9	1342.6	1607.2	1387.0	1735.5	1532.5	1864.7	2031.2	2,442	2,116 ± 85
DISAPPEARANCE:										
CRUSHINGS	720.5	721.8	821.3	701.3	865.1	790.2	926.7	017.8	1,123	1,040 ± 50
EXPORTS	416.8	479.4	539.1	420.7	555.1	564.1	700.5	739..0	875	825 ± 50
SEED	51.0	60.8	56.1	57.2	53.5	62.0	69.0	76.0	68	70
FEED	1.1	1.1	1.2	1.0	1.2	0.0	0.0	---	0	--
RESIDUAL	13.5	19.8	18.7	18.7	15.7	13.3	7.5	24.0	17	16
TOTAL DISAPPEARANCE	1202.9	1282.9	1436.4	1198.9	1490.6	1429.6	1703.6	1856.8	2,083	1,951 ± 75
STOCKS, AUGUST 31	72.0	59.6	170.8	188.2	244.9	102.9	161.0	174.4	359	165 + 75 to -50
	ACREAGE AND YIELD (MILLION ACRES)									
ACREAGE PLANTED	43.5	46.9	56.5	52.5	54.5	50.2	58.8	64.4	71.6	70.3
ACREAGE HARVESTED FOR BEANS	42.7	45.7	55.7	51.3	53.6	49.4	57.6	63.3	70.5	67.3
PERCENT HARVESTED (%)	98.2	97.5	98.4	97.8	98.2	98.3	98.0	98.3	98.5	
	(BUSHELS)									
YIELD PER ACRE HARVESTED	27.5	27.8	27.8	23.7	28.9	26.1	30.6	29.5	32.2	26.1
	PRICE (DOLLARS)									
PRICE PER BUSHEL:										
SUPPORT (U.S. FARM BASIS) 4/	2.25	2.25	2.25	2.25	4/	2.50	3.50	4.50	4.50	5.02
RECEIVED BY FARMERS	3.03	4.37	5.68	6.64	4.92	6.81	5.88	6.66	6, 25	
NO.1 YELLOW, DECATUR	3.24	6.21	6.12	6.32	5.26	7.33	6.14	7.11	5. 51	8.60 ± 1.25
NO.1 YELLOW, CHICAGO	3.29	6.27	6.12	6.33	5.25	7.36	6.11	7.09	6.46	

1/ PRELIMINARY. 2/ FORECAST. 3/ LESS THAN 500 THOUSAND BUSHELS. 4/ NO SUPPORT PROGRAM FOR 1975 CROP SOYBEANS.

FATS AND OILS SITUATION



SITUATION AND OUTLOOK

SOYBEANS

Supply Off 13 Percent; Prices Move Up

Reduced acreage and sharply lower yields have dropped soybean production in 1980. As of October 1, the crop was estimated at 1,757 million bushels, 23 percent below 1979. Even including carryover of 359 million bushels, the total soybean supply for 1980/81 is 2,116 million bushels, about 13 percent below last year's record 2,442 million.

Despite the smaller supplies and high prices, soybean demand is expected to remain strong. Total disappearance probably will drop to around 1.95 billion bushels, 6 percent below last season but about 200 million bushels above 1980 production. Both domestic crushings and exports are expected to decline from the record highs of last season. Carryover stocks next September 1 likely will be drawn down to around 165 million bushels, or about one month's total requirement.

Prices to soybean farmers in 1980/81 probably will average around $8.60 per bushel, 35 to 40 percent above last year. The Commodity Credit Corporation (CCC) loan rate for 1980 is $5.02 per bushel, up 52 cents from 1979.

Harvest prices this fall are relatively favorable to producers. At $7.69 per bushel, farm prices in September were $1 above a year ago. Prices may decline a little during the heavy harvest period (October-December), but then a post-harvest rise will likely boost them above current levels because of the close balance between supply and demand. Any price rise will also be influenced by the size of the 1981 South American soybean crop (now projected at a record 20 million tons), and the degree to which China and the USSR enter the world market for soybeans and products. Much also depends upon the U.S. farmer's willingness to withhold soybeans from the market. Producers can use CCC loans as financing while awaiting market developments.

Interest rates for farm facility loans made through the USDA are 12-1/2 percent for loans made on or after September 29, down from 13 percent.

Crushings To Drop

Soybean crushings this season are projected at 1,040 million bushels, 7 to 8 percent below the 1979/80 record of 1,123 million. The projection reflects a prospective decline in domestic requirements and in soymeal exports. Higher soybean prices in 1980/81, along with fewer U.S. hogs for feeding, are factors holding down crushings.

The projected crushings would utilize only about 70 to 75 percent of U.S. processing capacity—now estimated at 1,425 million bushels. Last season the industry operated at about 83 percent of capacity, slightly above the long-term utilization rate of 80 percent. With slightly more capacity, and fewer beans to crush, relatively small processing margins will likely continue.

Spot (cash) processing margins averaged 41 cents per bushel in 1979/80, up 5 cents from the year before. Margins averaged 78 cents during September-December 1979, then dropped to the season's low of 8 cents in April 1980. The collapse in spot processing margins resulted from the sharp decline in oil and meal prices relative to soybeans.

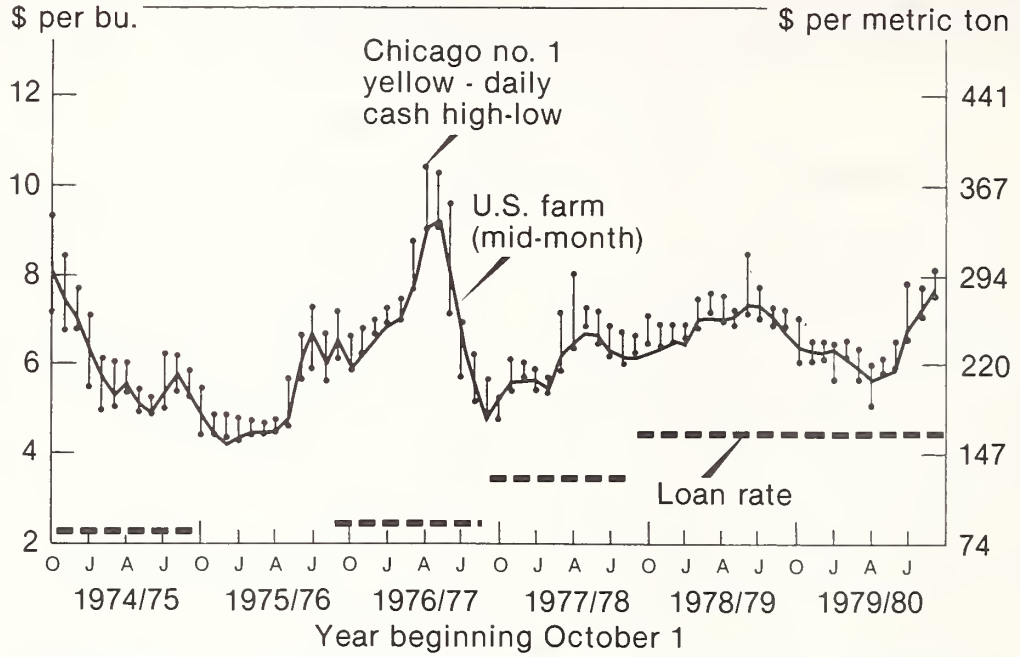
A few years ago, a soybean processing margin of 30 to 40 cents per bushel was considered favorable. But the cost of processing has increased because labor, machinery, storage, transportation, and processing materials (such as hexane solvent) are more expensive. Now a spot margin of 50 to 60 cents is considered favorable.

Exports Also To Drop

Soybean exports in 1980/81 are projected at around 825 million bushels compared with 875 million shipped last season. As with domestic use, exports will be limited by reduced supplies. Also, high U.S. soybean prices, anticipated large South American supplies, and less favorable livestock-feed price ratios probably will reduce U.S. exports by curtailing demand for soybean meal. Nevertheless, so far this season U.S. inspections of soybeans for export are above year-ago levels.

One uncertainty this year is the level of soybean exports to China and the Soviet Union. In 1979/80, U.S. soybean exports to China totaled 810,000 tons (30 million bushels). Our exports this year may be somewhat less because of a larger soybean crop in China, higher U.S. prices, and China's foreign exchange shortage. U.S. soybean and product exports to the USSR have been suspended since January 1980. In 1979/80, U.S. exports to the USSR were

U.S. Soybean Prices



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U.S. Sunflowers Cash Price

(No. 1 Oil Type)

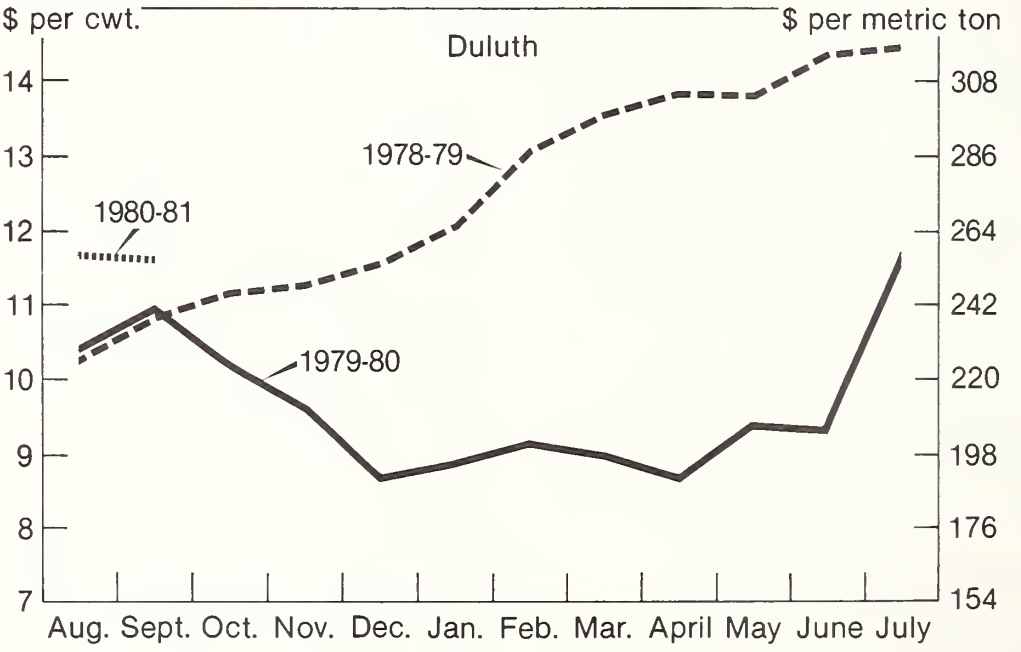

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TABLE 4 --ESTIMATED NUMBER OF U.S. SOYBEAN OIL MILLS AND PROCESSING CAPACITY, 1965-80

YEAR BEGINNING SEPTEMBER	PROCESSING MILLS 1/	ANNUAL PROCESSING CAPACITY				AVERAGE PER MILL	
		TOTAL 2/	UTILIZED 3/	EXCESS 4/	RATIO OF UTILIZED TO TOTAL	PROCESSING CAPACITY	CAPACITY UTILIZED 3/
	NUMBER	MILLION BUSHELS			PERCENT	MILLION BUSHELS	
1965	125	600	537	63	89	4.8	4.3
1966	129	650	559	91	86	5.0	4.3
1967	135	750	576	174	77	5.5	4.3
1968	134	750	606	144	81	5.6	4.5
1969	132	800	737	63	92	6.1	5.6
1970	130	875	760	115	87	6.7	5.8
1971	123	900	720	180	80	7.3	5.9
1972	117	925	722	203	78	7.9	6.2
1973	113	1,000	821	179	82	8.8	7.3
1974	108	1,050	701	349	67	9.7	6.5
1975	103	1,100	865	235	79	10.7	8.4
1976	103	1,200	790	410	66	11.7	7.7
1977	99	1,250	927	323	74	12.6	9.4
1978	95	1,300	1,018	282	78	13.7	10.7
1979 5/	94	1,350	1,123	227	83	14.4	11.9
1980 6/	NA	1,425	1,040	385	73	NA	NA

1/ ESTIMATE DEVELOPED BY ESS FROM CENSUS DATA AND TRADE DIRECTORIES. INCLUDES COTTONSEED AND OTHER OILSEED MILLS THAT PROCESS SIGNIFICANT QUANTITIES OF SOYBEANS. 2/ TRADE ESTIMATES. ESTIMATES SHOWN HERE ARE APPROXIMATIONS OF CAPACITY AT THE BEGINNING OF THE MARKETING YEAR. CAPACITY FLUCTUATES DURING ANY YEAR DUE TO NEW PLANTS COMING INTO OPERATION AND ADDITIONS TO EXISTING MILLS, SOME MILLS BECOMING DORMANT (DUE TO EXPLOSIONS, FIRES, STRIKES, ETC.) AND DISMANTLING OF OLDER MILLS. 3/ SOYBEANS ACTUALLY CRUSHED. 4/ DIFFERENCE BETWEEN TOTAL CAPACITY AND SOYBEAN UTILIZED (CRUSHED). 5/ PRELIMINARY. 6/ FORECAST.

TABLE 5 --SOYBEANS: ANNUAL VALUE OF PRODUCTS PER BUSHEL OF SOYBEANS PROCESSED AND SPOT PRICE SPREAD, 1965-79

YEAR BEGINNING SEPTEMBER	VALUE OF PRODUCTS PER BUSHEL							SOYBEAN PRICE		SPREAD BETWEEN VALUE OF PRODUCTS AND SOYBEAN PRICES	
	SOYBEAN OIL			SOYBEAN MEAL			TOTAL VALUE	RECEIVED BY FARMERS 3/	NO. 1 YELLOW, ILLINOIS POINTS 4/	RECEIVED BY FARMERS	NO.1 YELLOW ILLINOIS POINTS
	YIELD 1/	PRICE 2/	VALUE	YIELD 1/	PRICE 2/	VALUE					
	POUNDS	CENTS	DOLLARS	POUNDS	CENTS	DOLLARS					
1965	10.69	11.8	1.26	47.53	4.02	1.91	3.17	2.54	2.91	.63	.26
1966	10.70	10.4	1.11	47.66	3.98	1.90	3.01	2.75	2.85	.26	.15
1967	10.57	8.6	.91	47.71	3.82	1.82	2.73	2.49	2.61	.24	.12
1968	10.61	8.2	.87	47.43	3.76	1.78	2.66	2.43	2.54	.23	.12
1969	10.66	11.0	1.17	47.36	3.89	1.84	3.01	2.35	2.53	.66	.48
1970	10.33	12.8	1.38	47.39	3.96	1.88	3.25	2.85	3.03	.41	.26
1971	10.38	11.5	1.26	47.43	4.36	2.07	3.33	3.03	3.24	.30	.09
1972	10.53	15.2	1.62	47.04	11.03	5.19	6.81	4.37	6.22	2.44	.59
1973	10.76	30.2	3.25	47.18	7.61	3.59	6.84	5.68	6.12	1.16	.72
1974	10.51	32.1	3.37	47.48	6.56	3.12	6.49	6.64	6.32	.34	.17
1975	10.94	18.5	2.02	47.27	7.20	3.40	5.42	4.92	5.26	.50	.16
1976	11.09	24.1	2.67	47.81	10.14	4.85	7.52	6.81	7.33	.71	.19
1977	10.89	23.8	2.59	47.34	8.09	3.83	6.42	5.88	6.14	.54	.28
1978 5/	11.07	27.0	2.99	47.63	9.40	4.48	7.47	6.66	7.11	.81	.36
1979 5/	10.74	24.7	2.65	47.96	8.91	4.27	6.92	6.25	6.51	.67	.41

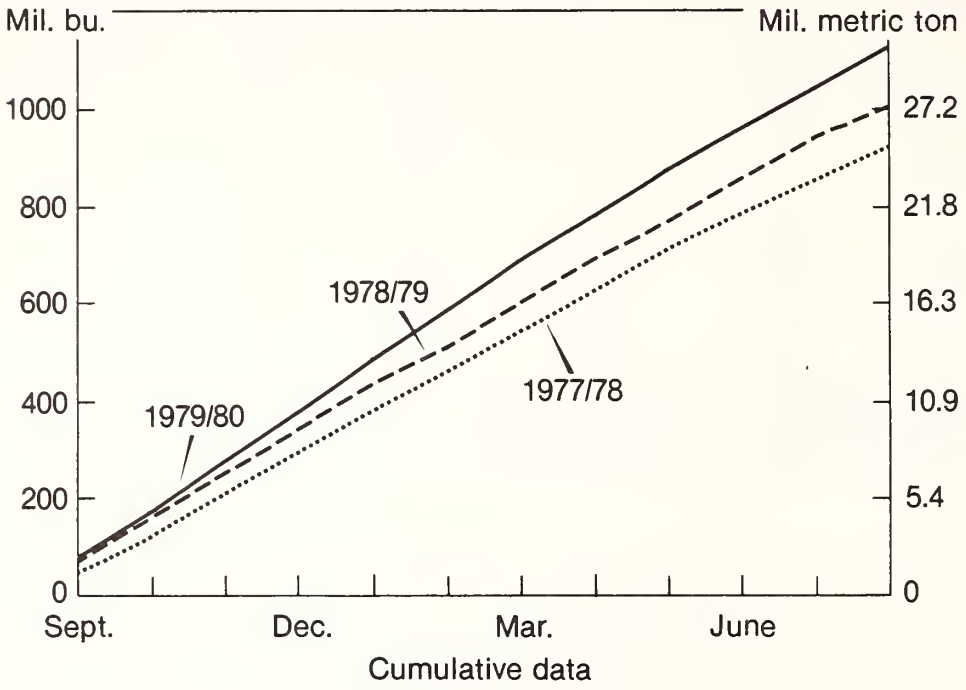
1/ ACTUAL OUTTURN OF OIL AND MEAL AS CALCULATED FROM BUREAU OF CENSUS REPORTS. 2/ SIMPLE AVERAGE OF MONTHLY CASH PRICES PER POUND USING THE FOLLOWING QUOTATIONS: SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS; SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. 3/ SEASON AVERAGE PRICE RECEIVED BY FARMERS WEIGHTED BY THE ESTIMATED PERCENT OF THE CROP SOLD EACH MONTH. 4/ SIMPLE AVERAGE OF MONTHLY PRICES. 5/ PRELIMINARY.

TABLE 6 --SOYBEANS: MONTHLY AVERAGE SPOT PRICE SPREAD BETWEEN SOYBEAN PRICES AND VALUE OF SOYBEAN OIL AND MEAL PER BUSHEL OF SOYBEANS PROCESSED, 1965-79 1/

YEAR BEGINNING SEPTEMBER	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	ANNUAL AVERAGE
	CENTS PER BUSHEL												
1965	45	51	51	27	36	27	9	11	9	13	15	25	26
1966	33	23	12	18	15	16	12	8	6	10	9	22	15
1967	32	11	12	7	8	14	11	7	6	9	13	16	12
1968	36	29	12	1	-1	4	9	4	5	7	5	22	12
1969	37	61	45	56	59	77	53	50	25	24	39	48	48
1970	47	45	36	38	25	16	13	6	10	22	26	23	26
1971	14	19	11	11	8	9	13	8	4	3	8	9	9
1972	23	28	29	100	100	73	3	-17	27	90	117	152	59
1973	143	59	53	132	91	130	41	22	30	29	58	77	72
1974	18	32	1	9	13	11	19	30	7	13	25	20	17
1975	19	34	23	16	10	12	9	6	11	15	26	18	16
1976	19	13	19	20	17	25	8	26	21	30	14	28	19
1977	42	14	26	26	32	28	40	14	35	25	31	30	28
1978 2/	52	41	16	38	32	32	16	30	37	50	36	51	36
1979 2/	84	74	76	75	43	25	21	8	19	15	27	35	41

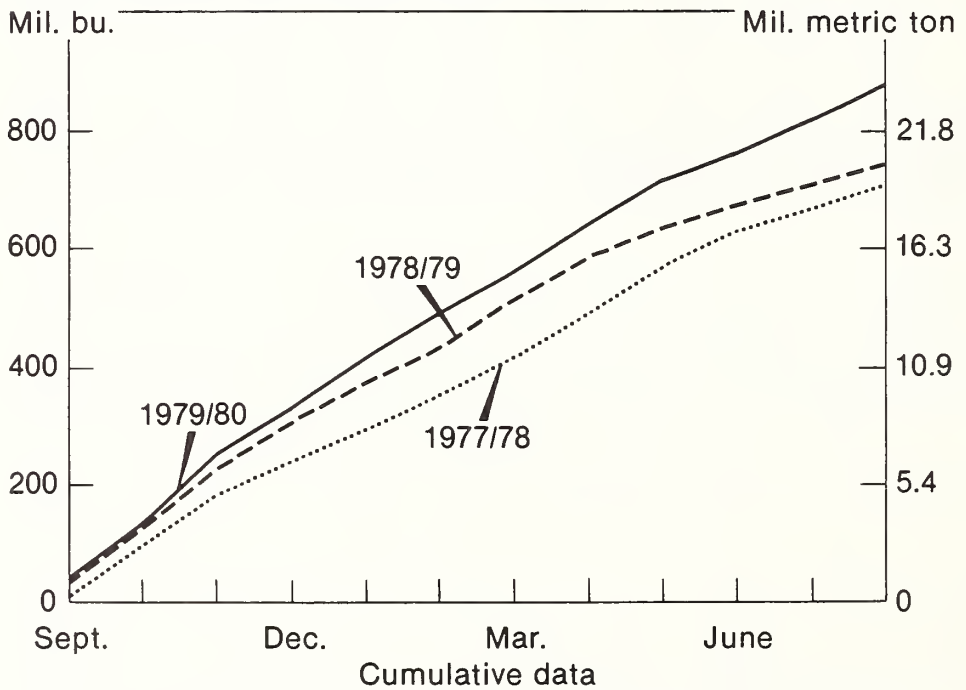
1/ SPOT SPREADS ARE CALCULATED FROM SIMPLE AVERAGE MONTHLY CASH PRICES USING THE FOLLOWING QUOTATIONS: SOYBEAN PRICES, NO. 1 YELLOW, ILLINOIS POINTS; SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS; SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. THESE DATA DO NOT REFLECT ACTUAL OPERATING MARGINS SINCE PRICES ARE SIMPLE AVERAGES AND DO NOT TAKE INTO ACCOUNT LOCATION DIFFERENTIALS OR ACTUAL PURCHASES AND SALES OF SOYBEANS, SOYBEAN OIL, AND SOYBEAN MEAL. 2/ PRELIMINARY.

Monthly U.S. Soybean Crushings



USDA Neg. ESS 17-80 (10)

Monthly U.S. Soybean Exports



USDA Neg. ESS 18-80 (10)

812,527 tons of soybeans and 24,696 tons of soybean oil. It is believed the USSR also bought an equal amount of soybeans from Argentina. The Soviets' 1980 soybean crop is estimated at around 440,000 tons, about the same as last year but well below earlier years. Also, the crop of sunflower, the major oilseed in the USSR, is about the same as last year's low output. The demand for protein meal is expanding as the Soviets try to upgrade diets with increased livestock and poultry production.

The major markets for U.S. soybeans and meal are Western Europe, Eastern Europe, Japan, Korea, Taiwan, and Mexico.

SOYBEAN OIL

Output To Decline

Because of reduced soybean supplies and smaller crushings, soybean oil production in 1980/81 may total around 11-1/3 billion pounds, some 7 percent below last year's record high. However, carryover stocks on October 1, at an estimated 1.2 billion pounds, were up over 0.4 billion pounds from a year ago. Therefore, total soybean oil supplies, an estimated 12-1/2 billion pounds, are only 3 percent below 1979/80.

Domestic disappearance of soybean oil is projected at around 9.0 billion pounds, a shade above 1979/80. Soybean oil's price advantage is the major reason for increased use, and in 1980/81 supplies of competitive animal fats will be down. Domestic consumption of soybean oil has risen for many years and now accounts for nearly two-thirds of all food fats and oils utilized in the United States, and over 80 percent of the edible vegetable oils. Soybean oil is the major factor contributing to the increased consumption of food fats in the United States.

Soybean oil exports in 1980/81 are projected at around 2-1/2 billion pounds, down somewhat from last season's record-high 2.7 billion. India is the largest single market, taking approximately 40 percent of the total volume of U.S. exports. Other important markets include Pakistan, China, Colombia, Peru and Ecuador.

Soybean oil prices (crude, Decatur) during 1979/80 averaged about 25 cents per pound, compared with 27-1/2 cents a year earlier. Prices in 1980/81 are likely to average higher, possibly in the 25 to 30 cent range. Slightly reduced soybean oil supplies in 1980/81, along with higher prices, will put a damper on export demand. Large soybean oil supplies in Brazil and palm oil from Malaysia will present U.S. soybean oil with more competition this year in a world market where import demand is not expected to strengthen over last season.

SOYBEAN MEAL

Domestic Use To Drop

U.S. soybean meal supplies total an estimated 25 million short tons, about 2 million tons below 1979/80. Domestic disappearance is projected to drop around 1 million tons from last year's record high of 19 million tons—mainly because of sharply higher meal prices and reduced hog output. Cattle on feed may be up slightly in 1980/81, while broiler output may be about the same, but protein feeding rates probably will decline.

Soybean meal exports are projected at around 6.8 million short tons, 13 percent below 1979/80. World demand for protein meals is expected to rise less rapidly than last season. As in past years, Western Europe is expected to take about 55 to 60 percent of total U.S. exports. In 1979/80, for the first time, the USSR had contracted for 0.4 million tons of U.S. soybean meal, but none was shipped because of the January 1980 U.S. suspension of exports to that country.

Reduced supplies of soybeans and meal in 1980/81 are expected to raise meal prices sharply above the $180 average per ton last season—perhaps around $70 higher.

South American Soybean Production At New High

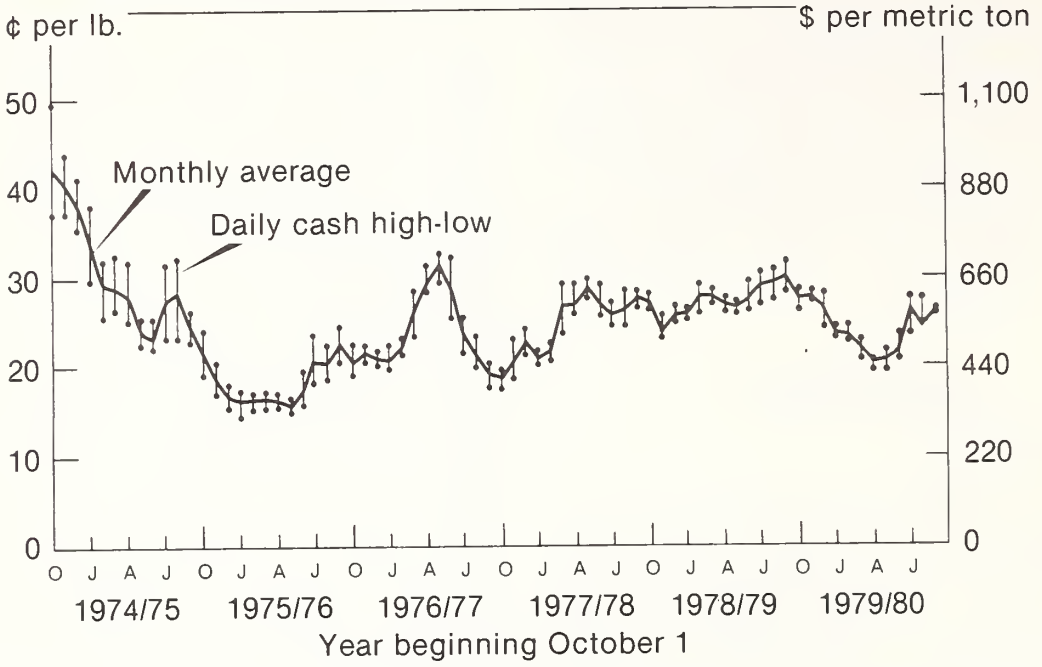
Soybean output in South America is now placed at 19 million metric tons, about 5 million tons or one-third more than in 1979. Virtually all of the increased production is in Brazil.

Brazilian production is forecast at a record 15.0 million tons, up nearly 50 percent from the 10 million tons produced in both 1978 and 1979. About 8.5 million hectares were harvested this year, compared with 8 million in 1979. The yield per hectare was 1.76 tons (26.2 bushels per acre), sharply higher than the poor 1979 yield of 1.27 tons (19 bushels).

Brazilian policy favors crushing soybeans at home and exporting the products—mainly meal. About 12.6 million tons, or 84 percent of this year's crop, is expected to be crushed. Brazil has expanded processing capacity to as much as 19 million tons, according to some trade estimates. Exports of soybeans from Brazil this year are projected at 1.5 million tons, about double the previous year. If about 1 million tons are used for planting seed and waste, the carryover next March 1 will increase to 0.5 million tons, nearly double this year's carryin.

Argentina, the second largest soybean producer in South America, harvested a record 1-3/4 million hectares in 1980, a 9-percent increase over 1979. But because of dry weather, estimated yield per hectare

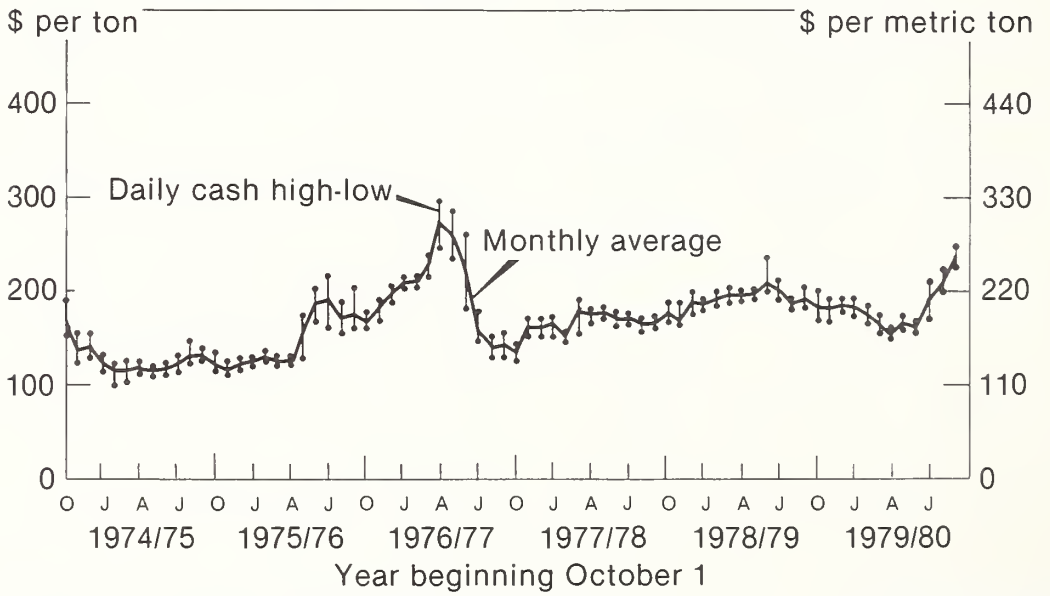
U.S. Soybean Oil Prices, Crude, Decatur



USDA

Neg. ESS 2510-80 (10)

U.S. Soybean Meal Prices, 44% Protein, Decatur



USDA

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Table 7.--Soybean Area, Yield, and Production, World and Selected Countries, 1978-80 1/

Region/country	Area			Yield			Production			
	1978/79	1979/80	1980/81 proj.	1978/79	1979/80	1980/81 proj.	1978/79	1979/80	1980/81 proj. Sep.	1980/81 proj. Oct.
	---Million hectares---			Metric tons per hectare			-----Million metric tons-------			
United States	25.63	28.54	27.24	1.99	2.16	1.76	50.90	61.72	49.84	47.82
Canada	.28	.28	.28	1.81	2.38	2.32	.52	.67	.67	.66
Eastern Europe	.36	.46	.51	1.26	1.41	1.22	.46	.64	.62	.62
USSR	.82	.84	.85	.78	.52	.52	.64	.44	.44	.44
Centrally Planned Asia										
PRC	7.30	7.30	7.40	1.14	1.14	1.18	8.30	8.30	8.70	8.70
South Asia										
India	.18	.24	.26	.83	.83	.83	.15	.20	.22	.22
Latin America & Caribbean										
Argentina	1.60	1.75	2.00	2.31	1.89	2.10	3.70	3.30	4.20	4.20
Brazil	8.04	8.50	8.92	1.27	1.76	1.70	10.20	15.00	15.20	15.20
Paraguay	.36	.44	.52	1.23	1.38	1.35	.45	.60	.81	.70
Total above	44.58	48.34	47.99	1.69	1.88	1.64	75.31	90.87	80.70	78.57
Other countries & regions	2.22	2.34	2.22	1.17	1.26	1.18	2.49	2.94	2.70	2.63
World	46.70	50.68	50.22	1.67	1.85	1.62	77.80	93.81	83.39	81.19
World less United States	21.07	22.14	22.98	1.28	1.45	1.45	26.90	32.09	33.56	33.37
Major foreign exporters 2/	10.00	10.68	11.44	1.44	1.77	1.76	14.35	18.90	20.21	20.10

1/ Totals and averages based on unrounded data. 1979/80 is estimated and preliminary. 1980/81 is projected based on surveys, trends and analysts' judgement.

2/ Includes Argentina, Brazil, and Paraguay.

World Crop Production, WCP-10-80.

is down to 1.89 tons (28 bushels per acre), compared with 2.31 tons (34-1/2 bushels) in 1979. Consequently, the 1980 soybean crop is placed at 3.3 million tons, compared with 3.7 million last year.

Argentine soybeans are produced mainly for export. Exports rose from 0.1 million tons in 1975/76 to a projected 3.0 million from April 1980 through March 1981. The USSR will be a major importer of Argentine beans this year—possibly buying around three-fourths a million tons. This total would limit exports available to other countries.

Paraguay is also expanding soybean production to an estimated 700,000 tons in March-February 1980/81, compared with 600,000 tons last year.

South American soybean crops for 1981 will be planted this October through January. Preliminary projections place the harvest next April at just over 20 million tons, some 6 percent above this year's record high—assuming favorable weather.

SUNFLOWERS

Carryover Stocks Up; Production Down

U.S. sunflower supplies are projected at 3 million metric tons, down somewhat from last year. The 1980 sunflower acreage planted in the four survey States (North Dakota, South Dakota, Minnesota, and Texas), at 4.0 million acres, was 28 percent less than last year. Lower prices for sunflowers relative to alternative crops in the Red River Valley lowered 1980 plantings. As of October 1, the 1980 crop yield per acre was 1,130 pounds, compared with 1,349 last year—the drop mainly reflecting the drought. Carryover stocks of sunflowers on September 1 increased to over 1 million tons and partly offset the reduction in the 1980 crop.

Domestic crushings of sunflowers this season are projected at around 0.8 million tons, up sharply from 1979/80. Crush capacity is expanding as consumption of sunflower oil increases.

Sunflower exports in 1980/81 are projected to slightly exceed last season's record high of 1.8 million tons. The European Community is the largest market for U.S. sunflowers, followed by Portugal, South Africa, and Mexico.

Prices received by producers for sunflowers probably will average 35 to 45 percent above the $195 per ton of 1979/80. Short oilseed crops in the United States along with higher prices for edible vegetable oils and protein meals, will boost prices.

USDA Considering Price Support Program for Sunflowers

The USDA has decided to begin a price support program for sunflowerseed and has asked for public comments on whether it should be a purchase program or a combination loan and purchase program. The levels of support under consideration are $6, $7, and $8 per cwt. A support program would provide interim financing for U.S. producers of sunflowers. About three-fourths of sunflower production is exported, mainly to Western Europe. Support would be especially helpful from mid-December to April, while the St. Lawrence Seaway, the main U.S. sunflower export route, is closed by ice.

COTTONSEED

1980 Crop Down One-Fifth

As of October 1, the 1980 cottonseed crop is estimated at 4-1/2 million tons, about one-fifth below 1979. Cotton acreage for harvest, at 13.3 million acres, is up 4 percent from 1979, but yields per acre are down sharply because of the dry weather during the growing season.

Carryover stocks of cottonseed on August 1, 1980, totaled 1 million tons, bringing 1980/81 cottonseed supplies to 5-1/2 million tons, down 11 percent from a year ago.

Prices received by farmers for cottonseed during August-September averaged $113 per ton, slightly below the same 2 months in 1979. Prices probably will rise after the heavy harvest period this fall, as supplies tighten and vegetable oil and protein meal prices strengthen. With protein prices higher relative to cottonseed prices, some cottonseed in the West will be fed to cattle.

Cottonseed crushings are projected at around 4 million tons in 1980/81, near the level of the past two seasons. A crush this size will produce 1.4 billion pounds of oil and about 2.0 million tons of meal.

Cottonseed oil supplies for 1980/81 total an estimated 1.5 billion pounds, about the same as last season. Domestic disappearance may total close to last season's 0.7 billion pounds and exports may also reach 0.7 billion. U.S. supplies of competing vegetable oils—such as soybean, sunflower and peanut—will be less in 1980/81. These edible oils compete as ingredients in the manufacture of shortening, margarine, and cooking and salad oils. In the export market, U.S. cottonseed oil is preferred in Western Europe, South America, and Egypt, and should remain competitive in these areas.

Wholesale prices for cottonseed oil (crude, Mississippi Valley) probably will average between 25 and 30 cents in 1980/81, slightly higher than the 25 cents a year ago, and be competitive with soybean oil.

Cottonseed meal supplies for 1980/81 are placed at around 2 million tons, near last season's level. With continuing strong demand for use in dairy and beef

Table 8 .--U.S. sunflowerseed, oil, and meal: Estimated supply, disappearance, and price, 1976-80

	1976-77	1977-78	1978-79	1979-80	1980-81
			Sunflowerseed		
Area (1,000 hectares)					
Planted	464	1,008	1,218	2,367	1,700
Harvested	425	959	1,192	2,305	1,570
Yield (Metric ton/hectare)	1.17	1.40	1.54	1.51	1.77
Supply (Thousand metric tons):					
Beginning stocks, Sept. 1	---	23	77	130	1,077
Production	499	1,330	1,839	3,484	1,988
Imports	2	3	7	10	10
Total supply	501	1,356	1,923	3,624	3,075
Disappearance					
Crush	35	219	292	547	800
Non-oil useage	103	113	125	170	165
Planting seed	3	5	10	10	10
Exports	337	942	1,366	1,820	1,850
Total use	478	1,279	1,793	2,547	2,825
Ending stocks, Aug. 31	23	77	130	1,077	250
Season avg. price (Dol./MT):	243	224	237	195	275
Supply			Sunflower oil		
Beginning stocks, Oct. 1	8	---	3	7	37
Production	14	86	115	210	320
Total supply	22	86	118	217	357
Disappearance					
Domestic use	7	49	70	90	165
Exports	15	34	41	90	140
Total use	22	83	111	180	305
Ending stocks, Sept. 30	---	3	7	37	52
Average price (Dol./MT)	243	---	728	560	
Supply			Sunflower meal		
Beginning stocks, Oct. 1	NA	NA	4	4	4
Production	NA	NA	180	335	480
Total supply	NA	NA	184	339	484
Disappearance					
Domestic use	NA	NA	180	335	480
Exports	NA	NA	---	---	---
Total use	NA	NA	180	335	
Ending stocks, Sept. 30	NA	NA	4	4	4
Average price (Dol./MT) 1/	NA	NA	136	100	140

NOTE: Estimates are based on limited data from the Crop Reporting Board, Bureau of the Census, and special appraisals. 1/ 28 percent protein.

Table 9 --Cottonseed: Supply and Disappearance, Price and Value of Products, 1971-80

Item	Year Beginning August									
	1971	1972	1973	1974	1975	1976	1977	1978	1979 1/	1980 2/
	Supply and Disappearance (1,000 Tons)									
Supply:										
Stocks, August 1	218	235	508	479	554	202	283	816	520	1,055
Imports	---	---	---	---	---	---	---	---	---	---
Production	4,240	5,393	5,016	4,510	3,218	4,122	5,521	4,269	5,778	4,540
Total Supply	4,458	5,628	5,524	4,989	3,772	4,324	5,804	5,085	6,298	5,595
Disappearance:										
Crushings	3,960	4,880	4,792	4,226	2,952	3,499	4,313	4,127	4,233	4,300
Exports	4	10	49	7	61	26	41	16	94	150
Seed	189	173	198	128	190	181	180	175	191	[
Residual 3/	70	57	6	74	367	333	454	247	725	[700
Total Disappearance	4,223	5,120	5,045	4,435	3,570	4,040	4,988	4,565	5,243	5,150
Stocks, July 31	235	508	479	554	202	283	816	520	1,055	445
	Price (Dollars)									
Price per ton:										
Support to farmers	4/	4/	4/	4/	4/	4/	4/	4/	4/	4/
Received by farmers	56.80	49.50	110.10	135.50	97.00	103.00	70.30	114.00	122.00	150.00
Price and value of products:										
Meal, per ton 5/	73.90	144.80	138.00	123.00	129.99	184.97	134.96	160.97	159.00	
Hulls, per ton 6/	26.00	21.00	32.00	42.00	64.00	50.00	37.00	110.00	60.00	
	(Cents)									
Oil, per pound 7/	13.2	13.7	30.7	33.9	24.6	25.3	23.7	31.2	26.0	
Linters, per pound 8/	4.0	3.9	9.6	8.3	5.5	5.7	7.5	9.5	13.0	
	(Dollars)									
Combined value 9/	89.74	120.96	186.89	189.42	166.85	189.49	160.33	221.00	194.65	
Price spread 10/	32.94	71.46	86.79	53.92	69.85	86.49	90.03	107.00	72.65	

1/ Preliminary. 2/ Forecast based on October indications. 3/ Includes feed, fertilizer, and loss. 4/ No program. 5/ 41-per-cent, bulk, carlots, Memphis. 6/ Carload lots, Valley. Estimated by ESS. 7/ Crude, F.O.B. Valley. 8/ Average price for all grades and market points, F.O.B. Mills. 9/ Combined value of products per ton crushed. 10/ Spread between combined value of cottonseed products per ton of seed crushed and season average price received by farmers for cottonseed.

cattle rations, domestic use likely will total about 1.8 million tons and exports about 0.2 million. The rising price trend for meat animals will strengthen cottonseed meal prices. During August-September, cottonseed meal prices (41-percent protein, Memphis) averaged $225 per ton, compared with $180 the year earlier.

LARD

Output to Turn Down in 1980/81

Commercial lard production in 1980/81 is projected at 1.1 billion pounds, compared with 1.3 billion last year. This downturn is due mainly to reduced hog slaughter and possibly a slight lowering in lard output per hog killed. Output this fall probably will stay near a year earlier, so most of the projected 10 to 15 percent drop will occur in 1981.

Domestic disappearance of lard is projected to drop below 1.0 billion pounds, down from 1.1 billion in 1979/80. Direct use of lard may continue near 0.6 billion, while use in shortening and margarine manufacture shows the sharpest decline. Lard exports and shipments probably will total around 150 million pounds, not much change from recent years. The major overseas markets are the United Kingdom and South America.

Lard prices (loose, tanks, Chicago) probably will average somewhat above last season's 20 cents per pound. Prices in mid-October, at 24 cents per pound, were near a year ago. But when hog slaughter falls behind year-earlier rates, lard prices will pick up. This increase may occur when prices of other edible fats and oils are also strengthening.

PEANUTS

Crop Down Sharply; Smallest Since 1967

U.S. peanut production as of October 1 is forecast at 2.50 billion pounds (farmers' stock basis), 37 percent less than the 3.98 billion pounds produced in 1979. The indicated yield per acre, 1,730 pounds, is 881 pounds below 1979. Peanut acreage for harvest this year is 1.45 million acres, 5 percent below a year ago. Hot, dry weather during the growing season caused the sharp decline in output this year. In the Southwest the peanut crop is down 26 percent, in the Southeast down 43 percent, and in the Virginia-North Carolina area down 29 percent.

Total U.S. peanut supplies are now estimated at around 3.1 billion pounds, compared with 4-1/2 billion pounds in 1979/80. A large quantity of peanuts this year are not making edible grade because of poor quality.

U.S. use of peanuts for food reached a record 2.0 billion pounds in 1979/80, equal to over 9 pounds (farmers' stock basis) per person. Food use in 1980/81 will decline because of the short supply and high prices. Last season, peanuts used in peanut butter and peanut candy showed significant gains over the previous year. Peanut prices were relatively low compared with competitive foods—an important factor boosting consumption.

Peanut crushings in 1980/81 are likely to fall below the 570 million pounds crushed last season. With the sharp drop in the crop, peanut supplies available for crushing will be greatly curtailed. But if peanut quality is poor, more supplies could be channeled into the crushing market. Similarly, peanuts available for export will fall sharply below the 1.0 billion pounds shipped in 1979/80. With the short crop and higher price, U.S. peanuts will not be so competitively priced as last year.

The CCC loan rate for 1980-crop quota peanuts is $455 per ton, compared with $420 in 1979. The loan rate for 1980-crop "additional" peanuts is $250 per ton, down $50 from the 1979 rate. Prices received by farmers for all grades of peanuts during August-September 1980 averaged 23 cents per pound, compared with 21 cents a year ago. Edible grade peanuts are in short supply this season, leading to expected sharp increases in prices.

Under Section 22 of the Agricultural Adjustment Act, imports of peanuts are limited to 1.7 million pounds (shelled basis) annually. The International Trade Commission has been petitioned to investigate the import quota provisions and has scheduled public hearings in early December.

FLAXSEED

Smallest Crop Since 1976

Flaxseed production is forecast at about 8 million bushels, about 40 percent below last year's 13-1/2 million bushel crop. The sharpest decline occurred in North Dakota, the nation's leading State, where output is off about 52 percent. Production in South Dakota and Minnesota is also down sharply.

Total U.S. flaxseed supplies are estimated at around 15 million bushels, about 3 million bushels below 1979/80. With supply down this much, a reduction in flaxseed crushings from last season's 12-1/2 million bushels is forecast. Flaxseed exports will be nil during 1980/81 with imports of seed from Canada likely to remain 1.9 million bushels. Because of reduced crushings, linseed oil and meal supplies will be down sharply and this will lead to higher product prices—the rise depending partly upon how quickly U.S. industrial activity picks up from the recession.

Flaxseed prices received by farmers averaged $7

TABLE 10.--FOOD FATS AND OILS: SUPPLY, DISAPPEARANCE, AND PER CAPITA DISAPPEARANCE, 1971-80

ITEM	YEAR BEGINNING OCTOBER									
	1971	1972	1973	1974	1975	1976	1977	1978	1979 1/	1980 2/
	MILLION POUNDS									
STOCKS, OCTOBER 1										
BUTTER	222	178	94	106	40	68	203	267	220	294
LARD	77	44	28	48	23	34	32	35	44	44
TALLOW, EDIBLE	63	36	19	32	24	59	33	42	49	54
COCONUT OIL	108	111	114	122	107	127	137	145	157	147
CORN OIL	58	70	57	68	52	41	46	73	70	50
COTTONSEED OIL	94	114	114	110	136	105	79	85	86	125
SOYBEAN OIL	773	785	516	794	561	1,251	767	729	776	1,240
PALM OIL	36	93	60	88	127	138	131	74	74	39
PALM KERNEL OIL	26	24	20	26	20	27	46	18	23	28
PEANUT OIL	24	18	18	22	44	199	171	33	47	37
SAFFLOWER OIL	29	39	31	8	25	44	25	21	41	31
SUNFLOWER OIL	---	---	---	---	---	20	---	7	15	72
SUB-TOTAL	1,510	1,513	1,071	1,422	1,158	2,112	1,670	1,529	1,602	2,161
FINISHED PRODUCTS 3/	236	254	206	247	213	271	254	306	323	330
TOTAL FOOD FATS AND OILS	1,746	1,767	1,277	1,669	1,371	2,383	1,924	1,835	1,925	2,492
IMPORTS										
BUTTER	2	2	56	2	2	2	1	1	1	1
OLIVE OIL	67	58	49	46	63	56	62	53	55	55
COCONUT OIL	634	687	563	673	1,248	1,115	980	967	825	850
CORN OIL	---	4/	1	2	1	10	3	4/	---	---
COTTONSEED OIL	---	4/	4/	---	4/	---	---	---	---	---
PALM OIL	440	363	349	757	933	661	361	277	225	325
PALM KERNEL OIL	90	102	126	160	158	157	123	143	175	185
PEANUT OIL	4/	4/	1	4/	2	4/	4/	4/	---	---
SESAME OIL	2	2	3	2	3	3	3	3	3	3
SUNFLOWER OIL	---	---	---	1	2	---	---	---	---	---
TOTAL	1,235	1,214	1,147	1,643	2,413	2,006	1,533	1.444	1,284	1,419
PRODUCTION										
BUTTER	1,121	956	927	995	946	1,078	1,040	965	1,075	1,100
LARD	1,646	1,285	1,324	1,094	982	1,056	999	1,075	1,225	1,100
TALLOW, EDIBLE	523	481	556	557	527	532	795	926	965	975
OLEO OIL & STEARINE 5/	5	8	9	11	7	8	5	5	5	5
COCONUT OIL	336	310	93	---	---	---	---	---	---	---
CORN OIL	499	523	528	465	644	669	738	736	775	825
COTTONSEED OIL	1,308	1,564	1,552	1,335	920	1,198	1,453	1,281	1,429	1,375
SOYBEAN OIL	7,892	7,501	8,995	7,375	9,630	8,578	10,288	11,323	12,114	11,230
PEANUT OIL	265	273	195	236	494	312	145	164	200	150
SAFFLOWER OIL (ESTIMATE)	140	150	100	115	100	75	95	125	100	100
SUNFLOWER OIL	---	---	---	92	110	37	195	254	465	700
SUB-TOTAL	13,735	13,051	14,278	12,275	14,360	13,542	15,753	16,854	18,353	17,560
OILSEEDS (OIL EQUIVALENT OF EXPORTS)	4,556	5,299	6,221	4,887	6,445	6,453	8,503	9,405	11,305	10,765
TOTAL SUPPLY	21,272	21,332	22,923	20,474	24,589	24,383	27,713	29,538	32,867	32,236
EXPORTS AND SHIPMENTS										
BUTTER	124	18	8	4	3	4	2	1	2	10
LARD	220	132	180	147	185	249	179	139	150	150
TALLOW, EDIBLE	5	20	43	17	22	23	18	50	60	65
OLEO OIL & STEARINE	5	8	9	11	7	8	5	5	5	5
COCONUT OIL	20	19	17	14	53	31	33	10	10	10
CORN OIL	49	44	68	84	98	93	116	125	135	150
COTTONSEED OIL	453	584	565	686	500	691	758	661	690	700
PALM OIL	32	40	24	27	39	57	52	11	10	10
PEANUT OIL	71	111	42	40	104	74	99	30	20	10
PROCESSED FOOD OILS 6/	70	67	91	77	101	88	75	75	75	75
SAFFLOWER OIL (ESTIMATE)	40	40	25	25	25	15	25	25	25	25
SOYBEAN OIL	1,440	1,086	1,461	1,090	1,034	1,608	2,141	2,409	2,775	2,475
SUNFLOWER OIL	---	---	---	9	10	31	75	80	200	310
SUB-TOTAL	2,529	2,171	2,533	2,231	2,181	2,972	3,578	3,621	4,157	3,996
OILSEED (OIL EQUIVALENT)										
COTTONSEED	1	3	17	2	26	4	15	2	15	25
SOYBEANS	4,429	5,191	6,100	4,643	6,083	6,126	7,700	8,283	9,650	9,075
PEANUTS (FOR CRUSHING ABROAD)	71	56	68	54	---	1	---	---	---	---
SAFFLOWER	55	49	36	38	26	22	28	37	40	35
SUNFLOWER SEED	---	---	---	150	310	300	760	1,083	1,600	1,630
SUB-TOTAL	4,556	5,299	6,221	4,887	6,445	6,453	8,503	9,405	11,305	10,765
TOTAL EXPORTS	7,085	7,470	8,754	7,118	8,626	9,425	12,081	13,026	15,462	14,761
DOMESTIC DISAPPEARANCE										
BUTTER	1,043	1,024	964	1,059	917	941	982	1,013	1,000	1,050
LARD	1,480	1,185	1,150	989	803	814	822	935	1,075	950
TALLOW, EDIBLE	546	479	500	548	470	534	723	869	900	910
COCONUT OIL	612	664	539	675	1,175	1,075	939	945	825	850
CORN OIL	439	492	450	399	559	581	574	613	660	675
COTTONSEED OIL	834	980	991	622	451	532	683	619	700	700
SOYBEAN OIL	6,439	6,685	7,255	6,518	7,906	7,454	8,182	8,867	8,875	9,075
OLIVE OIL	67	58	49	46	63	56	62	53	55	55
PALM OIL	351	356	294	692	883	611	367	277	250	300
PALM KERNEL OIL	92	107	120	165	151	138	168	138	170	185
PEANUT OIL	200	162	150	175	237	265	179	120	190	150
SAFFLOWER OIL (ESTIMATE)	90	118	98	75	75	70	74	80	85	75
SESAME OIL	2	2	3	2	3	3	3	3	3	3
SUNFLOWER OIL	---	---	---	83	80	26	120	166	200	365
PROCESSED FOOD OILS 6/	-70	-67	-91	-77	-101	-88	-75	-109	-75	-75
TOTAL	12,124	12,244	12,474	11,970	13,672	13,013	13,803	14,589	14,913	15,268
TOTAL (CALUCLATED NET) 7/	12,105	12,292	12,433	12,003	13,614	13,030				
TOTAL USE FOR FOOD 8/	11,312	11,501	11,597	11,340	12,172	11,711	12,264	12,600	12,885	
PER CAPITA DISAPPEARANCE	POUNDS									
BUTTER (FAT CONTENT)	4.0	3.9	3.7	4.0	3.4	3.5	3.6	3.7		
MARGARINE (FAT CONTENT)	8.9	9.0	9.0	8.8	9.6	9.3	9.0	9.3		
LARD (DIRECT USE)	3.7	3.5	3.2	3.0	2.8	2.3	2.3	2.5		
BAKING AND FRYING FATS	17.3	17.3	17.3	16.6	18.3	17.2	17.9	18.9		
SALAD AND COOKING OILS	16.7	17.4	18.5	17.8	19.5	19.0	20.5	21.3		
OTHER EDIBLE USES	2.7	2.7	2.1	2.0	2.1	1.9	2.1	1.9		
TOTAL (FAT CONTENT)	53.3	53.8	53.9	52.2	55.8	53.3	55.4	57.6	57.0	

1/ PRELIMINARY. 2/ FORECAST. 3/ SHORTENING, MARGARINE (FAT CONTENT), AND SALAD AND COOKING OILS. 4/ LESS THAN 500,000 POUNDS. 5/ REPRESENTS EXPORTS ONLY; PRODUCTION DATA ARE NOT ABAILABLE. 6/ INCLUDES EXPORTS OF PROCESSED FOOD OILS NOT CLASSIFIED BY KIND, SHORTENING AND OTHER SECONDARY FATS. 7/ ADJUSTED TO REFLECT CHANGES IN STOCKS OF FINISHED PRODUCTS. 8/ EXCLUDES FOOD FATS AND OILS USED FOR NON-FOOD PURPOSES.

TABLE 11.--PEANUTS (FARMERS' STOCK BASIS): SUPPLY, DISAPPEARANCE, AND PRICE, 1950-80

YEAR BEGINNING AUGUST 1	SUPPLY				DISAPPEARANCE						PRICE PER POUND	
	PRODUCTION	IMPORTS	BEGINNING STOCKS AUGUST 1	TOTAL SUPPLY	EXPORTS AND SHIPMENTS	CRUSHED FOR OIL	SEED, FEED, FARM LOSS AND SHRINKAGE	DOMESTIC FOOD USE: MILITARY	DOMESTIC FOOD USE: CIVILIAN TOTAL	DOMESTIC FOOD USE: CIVILIAN PER CAPITA	RECEIVED BY FARMERS	SUPPORT
	MILLION POUNDS									POUNDS	CENTS	
1950	2,035	---	187	2,222	69	629	211	14	967	6.4	10.9	10.8
1951	1,659	---	332	1,991	8	432	120	10	1,005	6.6	10.4	11.5
1952	1,356	---	416	1,772	3	195	144	10	998	6.4	10.9	12.0
1953	1,574	1/	422	1,996	239	303	151	10	1,007	6.4	11.1	11.9
1954	1,038	180	286	1,474	9	107	139	7	1,012	6.3	12.2	12.2
1955	1,548	5	209	1,762	6	257	157	1	954	5.8	11.7	12.2
1956	1,607	5	387	1,999	102	260	152	3	1,026	6.1	11.2	11.4
1957	1,436	2	456	1,894	48	239	162	3	1,081	6.4	10.4	11.1
1958	1,814	2	361	2,177	62	335	170	8	1,088	6.2	10.6	10.66
1959	2/1,523	1	514	2,038	72	292	96	3	1,151	6.5	9.6	9.68
1960	1,718	1/	424	2,142	81	362	87	8	1,236	6.9	10.0	10.06
1961	1,657	3	368	2,028	34	256	84	7	1,258	6.9	10.9	11.05
1962	1,719	2	389	2,110	43	302	75	8	1,285	6.9	11.3	11.07
1963	1,942	2	397	2,341	97	380	107	5	1,342	7.1	11.2	11.20
1964	2,099	2	410	2,511	179	473	75	8	1,403	7.4	11.2	11.20
1965 3/	2,384	1	373	2,758	238	517	137	14	1,431	7.4	11.4	11.20
1966	2,410	2	412	2,824	222	587	211	2	1,418	7.3	11.3	11.35
1967	2,473	2	4/372	2,847	198	644	156	3	1,493	7.6	11.4	11.35
1968	2,543	2	353	2,898	105	654	243	3	1,536	7.7	11.9	12.01
1969	2,529	1	357	2,888	140	581	237	3	1,574	7.8	12.3	12.38
1970	2,979	2	353	3,334	290	799	239	3	1,580	7.8	12.8	12.75
1971	3,005	2	453	3,460	552	814	79	1/	1,623	7.9	13.6	13.42
1972	3,275	2	392	3,669	521	850	175	---	1,694	8.2	14.5	14.25
1973	3,474	1	429	3,904	709	683	119	---	1,840	8.8	16.2	16.42
1974	3,668	1	553	4,222	740	590	-54	---	1,800	8.5	17.9	18.3
1975	3,857	1	1,146	5,004	434	1,447	193	---	1,870	8.7	19.6	19.7
1976	3,751	1	1,060	4,811	783	1,108	513	---	1,800	8.4	20.0	20.7
1977	3,726	1	608	4,336	1,025	487	392	---	1,850	8.5	21.0	21.5
1978	3,989	1	581	4,571	1,140	527	315	---	1,996	9.2	21.1	7/21.0
1979 5/	3,980	1	586	4,567	1,065	571	273	---	2,030	9.3	20.7	7/21.0
1980 6/	2,501	2	628	3,131								7/ 22.75

1/ LESS THAN 500,000 POUNDS.
2/ BEGINNING WITH 1959 CROP, PRODUCTION REPORTED ON NET WEIGHT BASIS. PRIOR YEARS WERE GROSS WEIGHT.
3/ BEGINNING 1965 REPORTED CRUSH AND EXPORT OF SHELLED PEANUTS CONVERTED TO FARMERS' STOCK BY 1.33 FACTOR.
4/ NET WEIGHT BASIS BEGINNING 1967.
5/ PRELIMINARY.
6/ FORECAST.
7/ LOAN RATE FOR QUOTA PEANUTS. LOAN RATE FOR ADDITIONAL PEANUTS 12.5 CENTS FOR 1978 CROP PEANUTS, 15.0 CENTS FOR 1979 CROP PEANUTS, AND 12.5 CENTS FOR 1980 CROP.

TABLE 12.--FLAXSEED: SUPPLY, DISPOSITION, AND PRICE, YEAR BEGINNING JUNE, 1965-79

YEAR BEGINNING JUNE	PRODUCTION	IMPORTS	ESTIMATED STOCKS JUNE 1 1/	TOTAL SUPPLY	EXPORTS	SEED	CRUSHING	RESIDUAL	TOTAL DISPOSITION	SEASON AVERAGE FARM PRICE
	1,000 BUSHELS									DOLLAR/BUSHEL
1965	35,402	---	12,866	48,268	5,302	1,895	22,058	1,131	30,386	2.80
1966	23,390	---	17,272	41,272	6,837	1,469	20,196	865	29,367	2.89
1967	20,036	3	11,905	31,944	5,438	1,559	16,511	-195	23,313	2.95
1968	26,983	1	8,631	35,615	9,531	1,968	14,436	-1,942	23,993	2.81
1969	34,929	---	11,622	46,551	6,505	2,265	14,289	452	23,511	2.65
1970	29,416	1	23,040	52,457	3,220	1,262	18,155	922	23,559	2.40
1971	18,198	74	28,898	47,170	910	933	21,022	1,102	23,967	2.38
1972	13,883	3	23,203	37,089	9,881	1,398	19,932	393	31,604	3.10
1973	16,408	399	5,485	22,292	630	1,360	17,203	-953	18,240	7.56
1974	14,083	130	4,052	18,265	372	1,231	13,386	245	15,234	9.66
1975	15,553	148	3,031	18,732	952	1,054	11,791	44	13,842	6.57
1976	7,820	2,168	4,890	14,879	196	1,167	10,677	-166	11,875	7.08
1977	15,105	859	3,004	18,968	1,001	1,089	11,615	313	14,018	4.54
1978	10,404	1,557	5,496	17,457	61	831	13,029	1,759	14,680	5.74
1979 2/	13,539	1,916	2,777	18,282	174	647	12,425	-277	12,969	5.96
1980 3/	7,940	1,907	5,263	15,110	70	840	11,700	---	12,610	8.40
1981 3/			2,500							

1/ ESS ESTIMATES 1965-75. DERIVED FROM JULY 1 STOCKS BY ADDING JUNE CRUSHINGS AND EXPORTS. BEGINNING JUNE 1, 1976, CROP REPORTING BOARD REPORTED STOCKS. 2/ PRELIMINARY. 3/ FORECAST BASED ON OCTOBER 1 INDICATIONS.

per bushel during June-September, up slightly from 1979. Flaxseed prices are currently at their seasonal low, and some strengthening appears probable over the next few months. Linseed oil prices (raw, Minneapolis) in mid-October were around 30 cents per pound while linseed meal prices (34 percent protein, Minneapolis) are quoted at $180 per ton.

TALLOW

Output May Dip From 1979/80 Levels

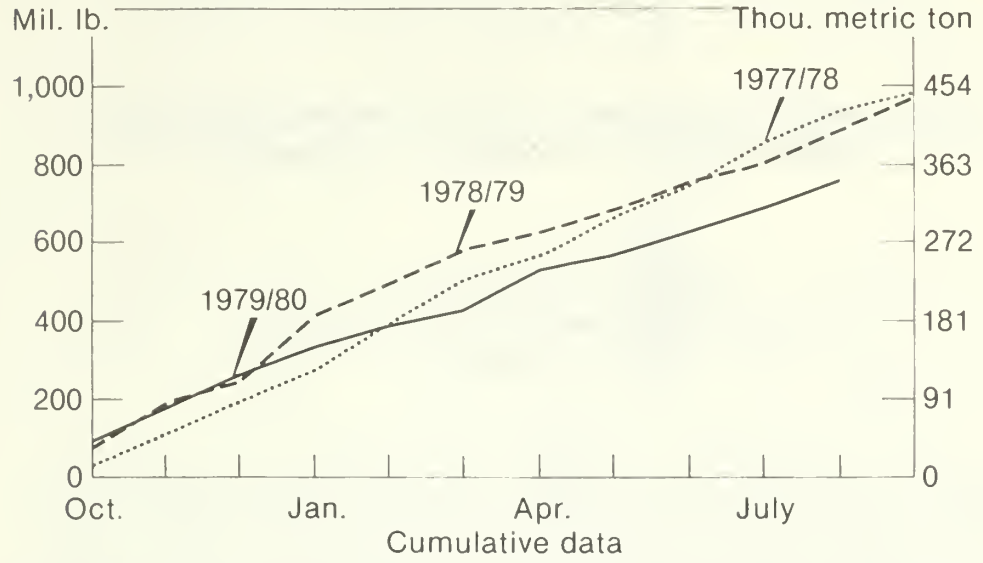
Tallow (edible and inedible) and grease production for 1980/81 is projected to decline slightly from the 7 billion pounds of last year. This drop will result from reduced slaughter of hogs.

Domestic use of tallow/greases in 1980/81 probably will total near 4 billion pounds, about the same as last year, whereas exports may decline slightly from the year earlier 3-billion-pound level. The major domestic market outlets for tallow/greases include shortening manufacture, animal feeds, fatty acids, and soap.

Tallow prices (bleachable fancy, Chicago) probably will average slightly above the 20 cents of 1979/80. Tallow products, such as fatty acids and lubricants, are used in the manufacture of durable goods, and so were hit hard by the 1979/80 recession. But with the economy on the upswing in 1980/81 and industrial activity picking up, tallow prices should rise. Increases in petrochemical feed stock prices may also strengthen the demand for natural fats and oils such as tallow/greases.

* * * * *

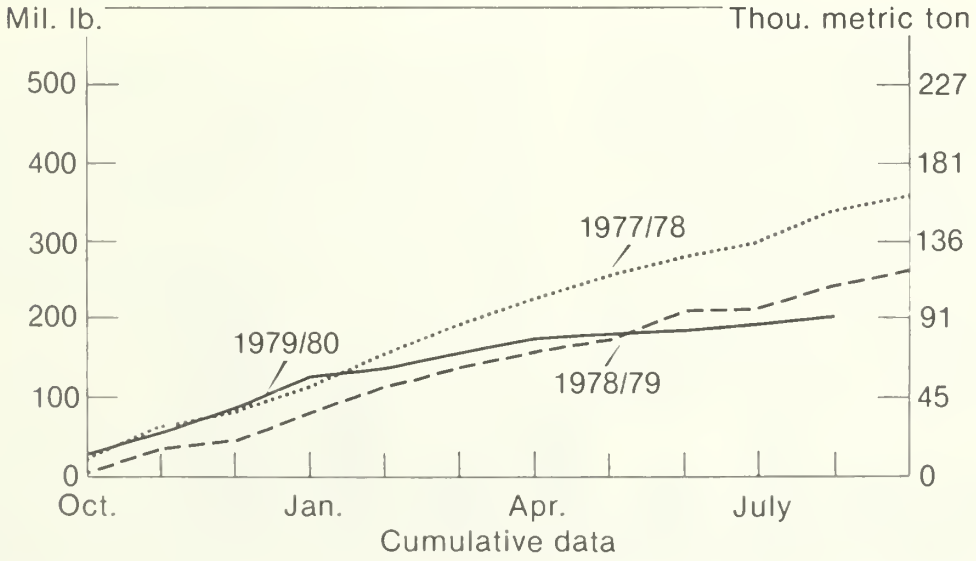
U.S. Coconut Oil Imports



USDA

Neg. ESS 2725-80 (10)

U.S. Palm Oil Imports



USDA

Neg. ESS 2695-80 (10)

WORLD PRODUCTION AND TRADE OF THE MAJOR EDIBLE VEGETABLE OILS DURING THE SEVENTIES

Ed Fryar [1]
Agricultural Economist
National Economics Division, ESS
Crops Branch

ABSTRACT: World production of the major edible vegetable oils increased at an annual rate of 5.6 percent during the 1970's, up from 4.0 percent during the 1960's. This increase was led by soybean oil, palm oil, sunflowerseed oil, rapeseed oil, and coconut oil. There was little change in cottonseed oil, olive oil, and peanut oil. Soybean oil, the most important, accounts for a third of total edible vegetable oil production and about 40 percent of total exports. Total oil production for the 1980/81 crop year should be around 39-40 million metric tons, down slightly from 1979/80. Because of a large carryover, total availability for 1980/81 should be down 3-5 percent from 1979/80.

KEYWORDS: Edible vegetable oils, soybean oil, sunflowerseed oil, palm oil, rapeseed oil, coconut oil, cottonseed oil, peanut oil, olive oil.

The major edible vegetable oils in the order of volume produced in 1979/80, were soybean, sunflower, palm, rapeseed, peanut, cottonseed, coconut, and olive. [2] These oils account for over 90 percent of total world production of edible vegetable oils.

Production of the eight major oils in 1969/70 was 22.9 million metric tons compared with 39.3 million tons in 1979/80, a 72 percent increase over the decade. This increase represents a 5.6 percent annual rate of growth compared with a 4.0 percent annual growth rate for the 1960's. The United States alone produces about a fourth of the total world production of edible vegetable oils.

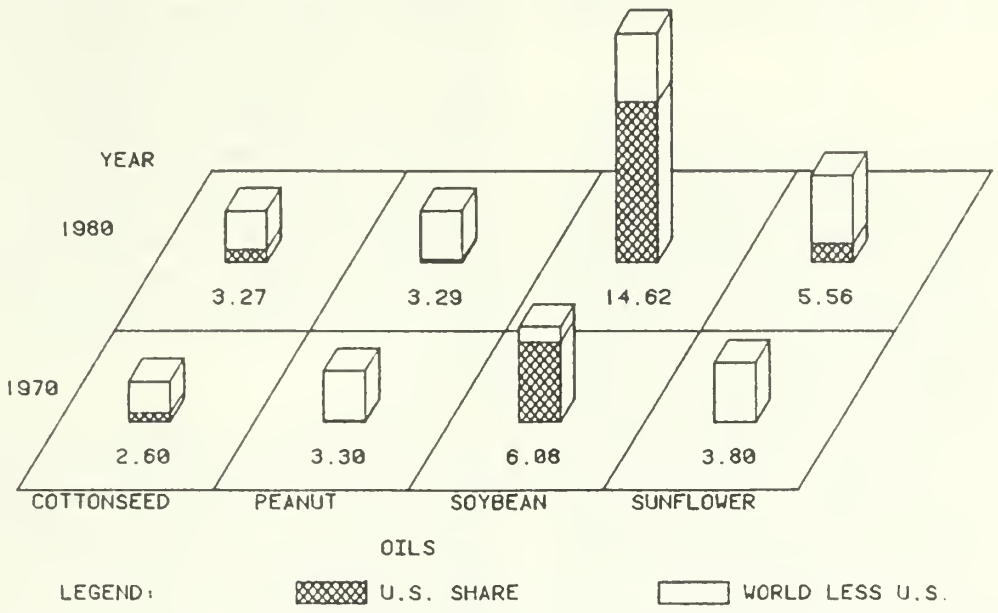
[1] The author is indebted to George Kromer and Harry Doty for comments helpful in the preparation of this paper and to Doug Parry of DSC for help with the graphics.

[2] All numbers, unless otherwise indicated, are on an oil equivalent basis. Production is calculated using assumed extraction rates. Trade includes the actual oil traded along with the oil equivalent of oilseed traded.

Roughly 40 percent of the total world production of the major edible vegetable oils is exported each year. Of the total world exports, soybean oil accounts for over 40 percent; sunflowerseed oil, palm oil, and coconut oil each account for 10-15 percent; rapeseed oil and peanut oil each account for 5-10 percent; and cottonseed oil and olive oil account for less than 5 percent each. The largest change during the 1970's has been the increase in soybean oil exports from around 30 percent of total exports early in the decade to over 40 percent today. This was primarily the result of increasing demand for high-protein meal for livestock feed in Western Europe and Japan. These areas import oilseeds and process them into oil and meal. As animal numbers have increased in Western Europe and Japan, animal consumption of high-protein meal has also increased thus causing these areas to import more oilseeds, especially soybeans. As soybean imports increase, soybean oil imports (oil equivalent basis) also increase. Thus, the rapid increase in soybean oil trade in the developed countries has been more of a response to an

SELECTED EDIBLE VEGETABLE OILS: WORLD PRODUCTION WITH U.S. SHARE

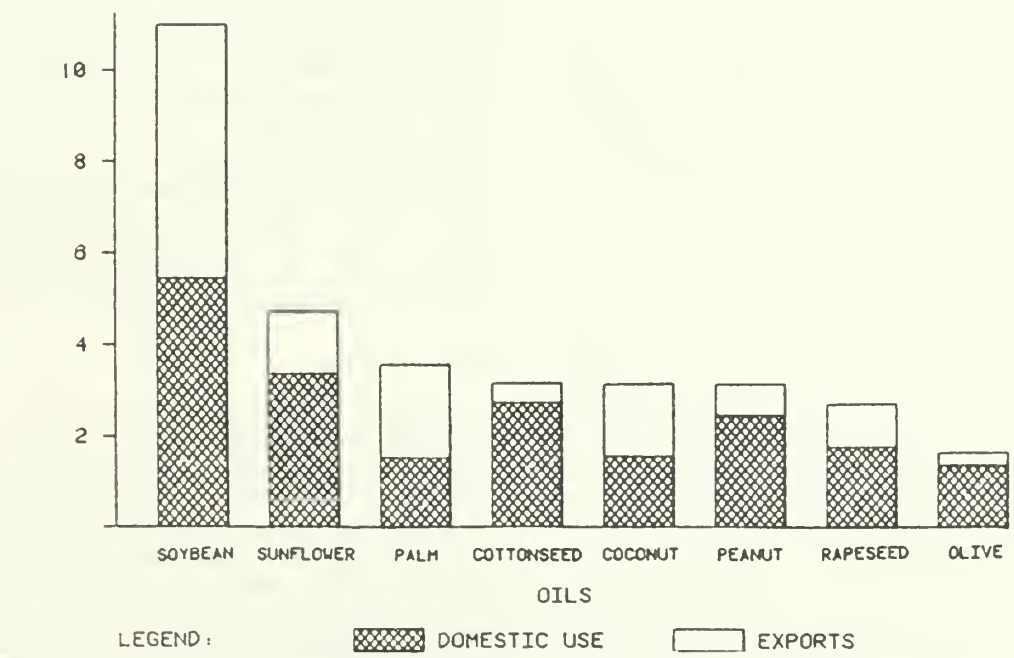
MILLION METRIC TONS



WORLD PRODUCTION EDIBLE VEGETABLE OILS

1978

MILLION METRIC TONS



increased demand for high-protein meal than a response to soybean oil demand. Developing countries tend to import edible vegetable oils primarily as oils and not as oilseeds since they have not invested in the oilseed processing plants necessary to produce oil and meal. By contrast, in the developing countries the driving force is demand for oil for human consumption and not demand for oilseed for crushing purposes.

Soybean Oil

Soybean oil is the world's most important edible vegetable oil since it accounts for about a third of total production. During the 1970's soybean oil production increased at an annual rate of 9.2 percent, up from 6.2 percent during the 1960's. The major producers are the United States with 65 percent, Brazil with 15 percent, China with 10 percent and Argentina with less than 5 percent.

The major exporter of soybean oil (oil equivalent basis) is the United States with about 80 percent of total soybean oil exports. About 75-80 percent of total U.S. exports of soybean oil are exported as soybeans and not as oil. Brazil accounts for around 10 percent of soybean oil exports which are primarily as oil and not as soybeans. Argentina exports a little over 5 percent of total exports which are primarily in the form of soybeans with very little as oil.

Japan and Western Europe dominate soybean oil imports. They import soybean oil primarily as soybeans. Europe consumes a portion of the oil it crushes and then exports the remaining oil—the Netherlands and Spain, for example, are the world's third and fourth largest exporters of soybean oil as oil.

The major importers of U.S. soybean oil in the form of soybeans are the countries of the EEC, Japan, and Spain—the Netherlands and Japan are the two largest importers. The largest importers of U.S. soybean oil as oil have been India, Pakistan, Iran (prior to the revolution), China, and Peru.

Sunflowerseed Oil

The major producer of sunflowerseed oil is the USSR which accounts for a little over a third of total world production—as compared to about a half of the world total in the early 1970's. The United States today produces between 20-25 percent of total production, up from only 2-3 percent at the start of the decade. Other major producers are Argentina with 10 percent, Romania with 6 percent, and Bulgaria with less than 5 percent. Although production grew at an annual rate of about 4 percent over the entire decade, output actually declined from 1970 to 1976. From 1977 to 1980, world production grew at an annual rate of 14 percent, largely because U.S. production increased at an annual rate of 250 percent.

The major exporting country is the United States with around 40 percent of total sunflowerseed oil exports. U.S. exports are primarily (90 percent) in the form of sunflowerseed and not oil. Germany, the Netherlands, and Portugal import around 75 percent of U.S. exports. Argentina has been next with about 20 percent followed by Romania with around 10 percent. Both of these countries export primarily oil and very little sunflowerseed. The major change in this market has been the cessation of Soviet exports (which were primarily as oil) and their replacement by U.S. exports (primarily as sunflowerseed).

Germany imports about a fourth of world imports primarily as sunflowerseeds. France, the second largest importer, imports around 15 percent, primarily as oil. In the past few years, Mexico has also emerged as a major importer. The remaining importers are mainly other countries of Western and Eastern Europe, each which import about 5 percent or less.

Palm Oil

Palm oil production increased at an annual rate of almost 10 percent during the 1970's. This rate was due primarily to Malaysia's increasing production over 400 percent during the decade. Malaysia today accounts for about a half of the world's total palm oil production. Indonesia accounts for around 15 percent, while other producers account for less than 5 percent each. There is no production of palm oil in the United States.

Palm oil is exported as oil and not as the palm fruit since the producing countries crush the palm fruit as soon as it is harvested. Malaysia exports about 90 percent of its production each year, which amounts to about 70 percent of total world exports. Indonesia accounts for 15-20 percent of world exports. All other producers account for less than 5 percent of exports each.

India has been the major importing country with 25-30 percent of total palm oil imports. The United States, United Kingdom, Netherlands, Germany, Japan, and Iraq each account for around 10 percent of total imports. The United States imports over 90 percent of its palm oil from Malaysia.

Cottonseed Oil

Cottonseed oil accounts for around 8 percent of the total production of edible vegetable oils. It is largely a byproduct of cotton production and is not concentrated in any country or region. The major producers are the Sovient Union , the United States, and China with around 15-20 percent each; India with about 10 percent; and Pakistan with around 5 percent. All other producers combined account for around a third of total production, but they account for less than 5 percent each. Production grew at an annual rate of

Table 13.--World Production of Major Edible Vegetable Oils, 1969/70-1980/81 1/

Oil	Year											
	1969/70	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80 2/	1980/81 3/
	1,000 Metric Tons											
Soybean	6,089	6,266	6,846	7,588	9,542	8,325	10,176	9,142	11,123	11,930	14,629	12,762
Sunflower	3,802	3,612	3,638	3,548	4,521	3,989	3,644	3,737	4,724	4,676	5,569	5,116
Palm	1,743	1,937	2,146	2,230	2,610	2,916	3,078	3,341	3,576	4,083	4,377	4,657
Cottonseed	2,609	2,654	2,929	3,111	3,168	3,219	2,766	2,813	3,170	2,986	3,275	3,156
Coconut	2,172	2,514	2,878	2,445	2,237	2,922	3,315	3,051	3,155	2,980	3,251	3,092
Peanut	3,302	3,377	3,535	2,921	3,091	3,182	3,606	3,192	3,146	3,429	3,296	3,409
Rapeseed	1,925	2,508	2,596	2,493	2,475	2,713	2,861	2,485	2,699	3,692	2,591	3,514
Olive	1,249	1,437	1,559	1,437	1,526	1,419	1,783	1,334	1,620	1,553	1,362	1,679
Other	1,404	1,773	1,812	1,699	1,749	729	2,015	1,888	2,039	2,231	2,263	2,319
Total	24,495	26,078	27,939	27,472	30,919	30,414	33,244	30,983	35,252	37,560	41,611	39,704

1/ Oil was produced during last quarter of first year and first three quarters of second year--Oct./Sept. crop year. Includes oil equivalent of oilseed producton based upon assumed extraction rates.

2/ Preliminary.

3/ Forecast based on October 1 indications.

SOURCE: Foregin Agriculture Circular: Oilseeds and Products. FAS/USDA, various issues.

2.3 percent during the 1970's, up from only 1 percent during the 1960's.

Usually only 10-15 percent of cottonseed oil is exported with almost all of this being exported as oil and not as cottonseed. The United States is the main exporter of cottonseed oil with around 80 percent of total cottonseed oil exports.

The major importing nations were Egypt, Venezuela, Japan, and Iran (pre-revolution) which, combined, take about 80 percent of U.S. exports. Europe imports very little cottonseed oil.

Peanut Oil

World production of peanut oil remained virtually unchanged during the 1970's—this followed an annual rate of growth of about 2.5 percent during the 1960's. Four countries account for two-thirds of world production: India with 35 percent, China with 15 percent, the United States with 10 percent, and Sudan with 6 percent. Peanut oil accounts for a little under 10 percent of the total production of the major edible vegetable oils. Slightly over 20 percent of this production is exported each year.

Peanut oil exports account for about 5 percent of total edible vegetable oil exports. The major exporters are the United States (30 percent); Argentina (15 percent); and Senegal and Brazil (10 percent each). With the exception of the United States and Sudan, most exports are in the form of oil and not peanuts. U.S. exports are primarily as peanuts, while Sudan's exports are equally divided between the two.

With the exception of Canada and Venezula, the major importing nations are European. France is the major importer, with about a third of total imports. Germany, Italy, Netherlands, United Kingdom, Canada, and Venezula each account for between 5 and 10 percent of imports. Canada has been the major importer of U.S. peanuts, primarily as edible peanuts. West European nations have been important importers of U.S. peanuts, taking almost all as edible peanuts. Another major importer from the United States is Venezula, which imports almost all oil.

Rapeseed Oil

Rapeseed oil production accounts for a little under 10 percent of total world production of the major edible vegetable oils. Production increased at a 6.4 percent annual rate during the 1970's. Largely as a result of new low-erucic acid varieties being developed, production increased at a 14 percent annual rate between 1977 and 1980. The major producing countries are Canada with 33 percent, China with 20 percent, India with 15 percent, and Poland and France with 5 percent.

About a third of rapeseed oil production is exported each year amounting to between 5-10 percent of total edible vegetable oil exports. Canada is the major exporter, with about half of total rapeseed oil exports. These exports are primarily as rapeseed rather than oil. Other major exporters are France with 20 percent, Germany with 10 percent, and Poland with 5 percent. Each of the countries export mostly oil.

The two major importing countries are India and Japan with about 30 percent each. India imports primarily rapeseed oil while Japan imports mainly rapeseed. Another important importer, Algeria (10 percent), imports primarily oil.

Coconut Oil

Coconut oil accounts for slightly less than 10 percent of the total production of major edible vegetable oils. While coconut oil production grew at an annual rate of less than 1 percent during the 1960's, the rate increased to a little more than 4 percent during the 1970's. The major producers are the Philippines with 50 percent of the total, Indonesia with 15-20 percent, and Sri Lanka with 5 percent. There is no copra production in the United States.

Coconut oil exports account for a little over 10 percent of the total world exports of the major edible vegetable oils. About half of the world's production of coconut oil is exported each year. The Philippines alone account for over three-fourths of total exports. Four out of five tons exported from the Philippines are in the form of coconut oil and not copra. Other exporters account for less than 5 percent of the total each.

The United States is the major importer, with about 30 percent of total world imports. U.S. imports now are all coconut oil, and over 90 percent of these imports come from the Philippines. Germany is next with about 15 percent, followed by the Netherlands with about 7 percent. Both of these countries' imports are almost equally divided between oil and copra. Japan's imports account for about 5 percent of the world total and are roughly two-thirds copra and one-third oil.

Olive Oil

In terms of volume of production, olive oil is the least important of the major edible vegetable oils. However, it is an important oil in the Mediterranean Basin countries, largely because of its unique flavor. World production increased little during the 1960's and 1970's. Major producing countries are Italy and Spain each with about 30 percent; Greece with 15

percent; and Turkey and Tunisia with 5-10 percent each.

Olive oil exports account for only 2-3 percent of the total world edible oil exports—about 15 percent of annual olive oil production. The major exporting nations are Spain with 35 percent and Tunisia with 25 percent.

Except for the United States and Brazil, most nations importing olive oil are in the Mediterranean region. The major importing countries are Italy with 35 percent, Libya with 15 percent, the United States with 10-15 percent, France with 10 percent, and Brazil with 5-10 percent. Almost all imports of olive oil are in the form of oil. The United States imports about 90 percent of its olive oil from Spain and Italy.

World Oil Production to Decline In 1980/81

World production of edible vegetable oils for 1980/81 is expected to decline to 39.5 million metric tons—down from the 1979/80 level of 41.3 million metric tons. The decline will be led by soybean oil, which is expected to be off about 12 percent, followed by sunflowerseed oil, which is expected to decline about 8 percent. Cottonseed, peanut, rapeseed, coconut, and olive oils are expected to change little. Palm oil production is expected to increase about 6.5 percent. Including carry-over, total world availability of edible vegetable oils for the 1980/81 crop year should be down 3-5 percent (based on early October indications) from the 1979/80 crop year.

* * * * *

TABLE 14 -- WHOLESALE PRICES PER POUND FOR FATS AND OILS, BY MONTHS

ITEM	1980					
	MAR	APR	MAY	JUN	JUL	AUG
	CENTS					
WHOLESALE						
BUTTER, CREAMERY, GRADE A, (92- AND 93-SCORE) BULK, NEW YORK	137.1	140.8	142.0	143.4	143.6	---
BUTTER, CREAMERY, GRADE A, (92-SCORE) BULK, CHICAGO	---	---	---	---	---	---
CASTOR OIL, NO.1, BRAZILIAN, TANKS, IMPORTED, NEW YORK	55.8	55.6	55.0	51.8	51.0	49.6
COCONUT OIL, CRUDE, TANK CARS, PACIFIC COAST 1/	37.5	34.1	29.3	29.5	30.4	29.9
COCONUT OIL, CRUDE, TANKS, F.O.B., NEW YORK	38.0	37.1	30.2	29.8	30.8	31.6
COD OIL, BULK, F.O.B., GLOUCESTER, MASSACHUSETTS	20.0	20.5	22.4	22.6	23.0	23.0
CODLIVER OIL, NF, DRUMS, NEW YORK	69.0	69.0	69.0	69.0	---	---
CORN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	26.0	20.0	23.0	22.0	27.3	---
CORN OIL, REFINED, TANKS, NEW YORK	31.3	27.8	28.P	---	---	---
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	22.4	20.4	20.9	---	---	---
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., VALLEY	22.4	20.4	20.9	22.3	27.8	29.0
COTTONSEED OIL, REFINED, TANKS, NEW YORK	29.8	27.8	28.0	---	---	---
DEGRAS, LINOLIN TECHNICAL, DRUMS, NEW YORK	64.0	64.0	64.0	64.0	64.0	58.5
FISH OIL, REFINED, ALKALI, TANKS, NEW YORK	26.0	26.0	26.0	26.0	26.0	26.0
GLYCERINE, SYNTHETIC, REFINED, 99.5 PERCENT, TANKS, DELIVERED, NEW YORK	58.6	62.5	62.5	62.5	62.5	59.5
GLYCERINE, NATURAL, REFINED, U.S.P., 99 PERCENT, TANKS, DELIVERED, NEW YORK	56.8	60.8	60.8	60.8	60.8	57.8
GREASE, A WHITE, TANK CARS, DELIVERED, CHICAGO	17.3	17.3	17.3	13.0	13.9	---
GREASE, B WHITE, DELIVERED, CHICAGO	16.7	16.6	14.5	12.6	14.5	16.0
GREASE, YELLOW, DELIVERED, CHICAGO	14.0	14.0	14.0	12.5	12.0	---
GREASE, WHITE, CHOICE, TANKS, NEW YORK	18.5	17.5	14.8	13.1	15.0	17.9
LARD OIL, EXTRA NO. 1, DRUMS, CHICAGO	32.5	32.5	32.5	32.5	32.5	32.5
LARD, LOOSE, TANK CARS, CHICAGO	19.3	19.0	18.0	17.5	17.5	---
LARD, PRIME STEAM, TIERCES, CHICAGO	19.0	18.8	18.0	---	---	---
LARD, REFINED, 1 AND 2-POUND PRINTS, CHICAGO	37.8	37.5	36.5	36.0	36.3	---
LECITHIN, EDIBLE, TECHNICAL, BLEACHED, DRUMS, WORKS	29.5	29.5	37.4	40.0	40.0	40.0
LINSEED OIL, RAW, TANK CARS, MINNEAPOLIS	28.0	27.8	26.6	27.0	27.0	28.6
LINSEED OIL, RAW, TANKS, NEW YORK	30.8	30.5	29.5	---	---	---
MARGARINE, COLORED, DELIVERED, EASTERN UNITED STATES	56.5	59.9	59.9	59.9	59.9	---
MARGARINE, YELLOW, QUARTERS, F.O.B., CHICAGO	39.0	35.6	34.8	36.1	40.3	40.0
MARGARINE, WHITE, DOMESTIC VEGETABLE, CHICAGO	46.6	45.8	44.0	44.7	48.6	49.0
MENHADEN OIL, CRUDE, TANKS, F.O.B., BALTIMORE	20.0	20.0	20.0	18.0	---	---
MENHADEN OIL, LIGHT PRESSED, TANKS, NEW YORK	34.0	34.0	34.0	34.0	34.0	34.0
OITICICA OIL, DRUMS, F.O.B., NEW YORK	54.0	54.0	54.0	54.0	54.0	54.0
OITICICA OIL, TANKS, NEW YORK	49.0	49.0	49.0	48.5	48.0	48.0
OLIVE OIL, IMPORTED, EDIBLE, DRUMS, NEW YORK	83.3	83.6	85.6	87.1	85.5	86.3
PALM KERNEL OIL, CIF, BULK, U.S. PORTS	42.8	42.8	42.8	42.8	42.8	42.0
PALM OIL, CIF, BULK, U.S. PORTS	31.8	29.6	27.8	28.1	27.6	26.5
PEANUT OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	22.9	20.5	22.4	23.1	26.9	33.2
PEANUT OIL, REFINED, TANKS, NEW YORK	30.0	27.4	29.4	---	---	---
RAPESEED OIL, REFINED, DENATURED, TANKS, NEW YORK	47.0	47.0	47.0	47.0	47.0	46.0
SAFFLOWER OIL, TANKS, NEW YORK	46.5	46.5	46.5	46.5	46.5	46.0
SAFFLOWER OIL, EDIBLE, DRUMS, NEW YORK	65.0	65.0	65.0	65.0	65.0	65.0
SESAME OIL, REFINED, DRUMS, NEW YORK	126.0	126.0	126.0	126.0	126.0	126.0
SHORTENING, ALL VEGETABLE, HYDROGENATED, 440-POUND DRUMS, NEW YORK	44.5	42.3	42.5	43.0	46.0	---
SOYBEAN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	22.1	20.3	20.8	21.6	26.2	25.9
SOYBEAN OIL, REFINED, TANKS, NEW YORK	27.1	25.2	25.8	---	---	---
TALL OIL, CRUDE, TANKS, WORKS	7.8	7.P	7.8	7.8	7.8	---
TALLOW, EDIBLE, LOOSE, CHICAGO	20.0	21.0	20.0	---	---	---
TALLOW, INEDIBLE, PACKERS' PRIME, C.A.F., DELIVERED, CHICAGO	17.5	18.0	16.8	15.2	16.8	18.0
TALLOW, INEDIBLE, BLEACHABLE FANCY, DELIVERED, CHICAGO	18.7	19.1	17.9	16.6	18.8	19.0
TALLOW, INEDIBLE, NO. 1, DELIVERED, CHICAGO	15.7	15.9	13.6	11.9	13.3	14.0
TUNG OIL, IMPORTED, DRUMS, F.O.B., NEW YORK	55.8	53.0	51.1	48.3	45.2	43.7
TUNG OIL, IMPORTED, TANKS, NEW YORK	118.5	118.5	118.5	118.5	---	-

TABLE 15---INDEX NUMBERS OF WHOLESALE PRICES OF FATS AND OILS, BY MONTHS, 1967 = 100

ITEM	1979	1980						
	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
WHOLESALE									
ALL FATS AND OILS	310	323	287	281	262	259	250	241	235
ALL FATS AND OILS, EXCEPT BUTTER	355	373	326	318	294	288	277	265	257
GROUP BY ORIGIN:									
ANIMAL FATS	259	272	243	236	219	218	211	201	202
VEGETABLE OILS, DOMESTIC	222	224	190	192	183	170	170	140	173
VEGETABLE OILS, FOREIGN	322	340	327	328	304	293	255	253	253
GROUP BY USE:									
BUTTER	195	192	195	196	196	205	206	209	208
LARD	304	322	282	277	247	243	231	224	224
LARD, REFINED	274	283	265	263	278	276	269	267	265
FOOD FATS OTHER THAN BUTTER	238	249	217	214	194	189	180	170	177
FOOD FATS OTHER THAN BUTTER AND LARD	242	246	200	211	200	187	183	156	185
ALL EDIBLE FATS AND OILS	310	323	284	282	286	283	276	268	274
SOAP FATS	351	375	332	334	305	304	300	266	258
DRYING OILS	227	227	217	217	213	213	226	178	206
OTHER INDUSTRIAL	---	---	---	---	---	---	---	252	251
ALL INDUSTRIAL	330	350	313	292	290	289	285	252	251
CRUDE	236	240	204	206	196	181	178	193	180
EDIBLE VEGETABLE OILS, GROUPED BY DEGREE OF PROCESSING:									
END PRODUCTS	213	231	176	186	168	151	151	181	153
REFINED	232	233	229	229	233	230	229	233	229
MARGARINE	221	221	221	221	221	221	221	221	221
SHORTENING, 3-POUND TIN	259	259	273	273	273	273	259	259	259
SHORTENING, 440-POUND DRUM	231	234	210	214	214	204	205	222	207

1/ CPI SEASONALLY ADJUSTED SERIES.

SOURCE: ALL INDEXES EXCEPT "OTHER INDUSTRIAL" FROM BUREAU OF LABOR STATISTICS.

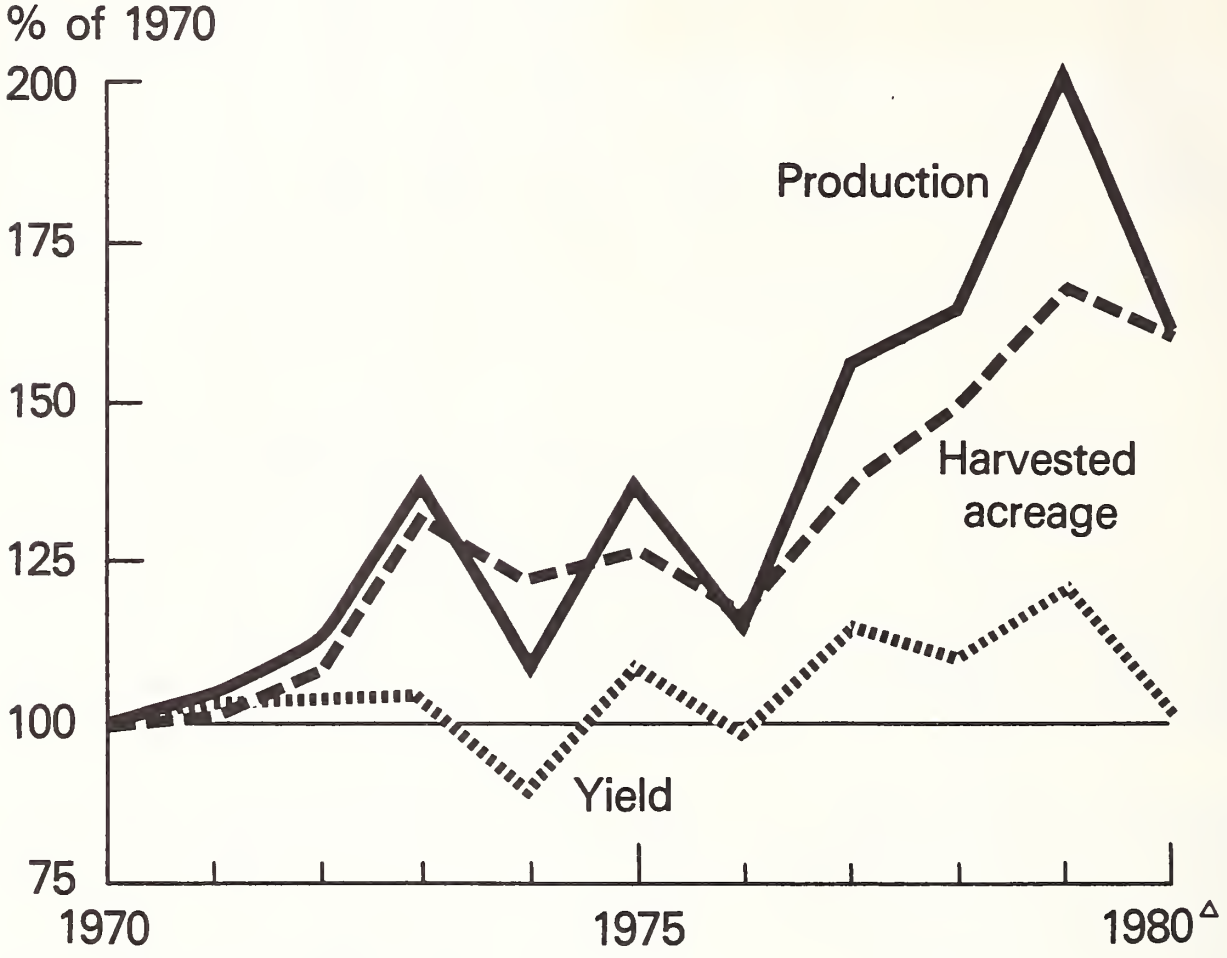
TABLE 16--PRICES RECEIVED BY FARMERS AND PRICES AT TERMINAL MARKETS FOR SPECIFIED OIL-BEARING MATERIALS AND OILMEALS, BY MONTHS

ITEM	UNIT	1980					
		FEB	MAR	APR	MAY	JUN	JUL
OILSEEDS							
COTTONSEED, UNITED STATES AVERAGE	SHORT TON	114.00	---	---	---	---	---
FLAXSEED, NO. 1, MINNEAPOLIS	BUSHEL	6.47	6.44	5.95	6.24	6.50	7.15
FLAXSEED, UNITED STATES AVERAGE	BUSHEL	5.79	5.78	5.51	6.04	5.81	6.55
PEANUTS, UNITED STATES AVERAGE (FARMERS' STOCK)	100 LB.	---	---	---	---	---	---
PEANUTS, VIRGINIA NO. 1, SHELLED, VIRGINIA-NORTH CAROLINA 1/	100 LB.	35.17	35.83	36.75	37.40	37.50	36.88
PEANUTS, RUNNERS NO. 1, SHELLED, SOUTHEAST 1/	100 LB.	---	---	---	36.62	36.88	36.67
PEANUTS, SPANISH NO. 1, SHELLED, SOUTHEAST 1/	100 LB.	---	---	---	---	---	---
PEANUTS, SPANISH NO. 1, SHELLED, SOUTHWEST 1/	100 LB.	38.41	38.70	39.17	39.00	39.31	39.65
SOYBEANS, NO. 1, YELLOW, CHICAGO	BUSHEL	6.38	6.06	5.80	6.02	6.14	7.20
SOYBEANS, NO. 1, YELLOW, ILLINOIS COUNTRY SHIPPING POINTS	BUSHEL	6.42	6.07	5.80	6.04	---	---
SOYBEANS, UNITED STATES AVERAGE	BUSHEL	6.20	5.92	5.63	5.76	5.76	6.75
OILMEALS (BULK)							
COTTONSEED MEAL, 41 PERCENT PROTEIN, MEMPHIS	SHORT TON	156.25	136.25	120.50	121.00	129.40	157.00
COTTONSEED MEAL, 41 PERCENT PROTEIN, ATLANTA	SHORT TON	178.80	156.75	141.40	137.10	149.10	180.00
COTTONSEED MEAL, 41 PERCENT PROTEIN, FORT WORTH	SHORT TON	171.25	148.75	128.00	128.75	126.90	169.80
FISH MEAL, 65 PERCENT PROTEIN, BAGGED, EAST COAST	SHORT TON	---	---	---	---	---	---
FISH MEAL, 65 PERCENT PROTEIN, BULK, LOS ANGELES	SHORT TON	---	---	374.00	346.25	341.90	---
LINSEED MEAL, 34 PERCENT PROTEIN, MINNEAPOLIS	SHORT TON	152.25	150.00	137.00	133.50	132.00	150.40
PEANUT MEAL, 50 PERCENT PROTEIN, F.O.B. SOUTHEASTERN MILLS	SHORT TON	181.25	168.75	158.10	151.75	155.25	186.00
SAFFLOWER MEAL, 20 PERCENT SOLVENT, SAN FRANCISCO	SHORT TON	---	---	---	---	---	---
SOYBEAN MEAL, 44 PERCENT PROTEIN, CHICAGO	SHORT TON	186.50	176.90	166.60	178.90	173.40	200.40
SOYBEAN MEAL, 44 PERCENT PROTEIN, DECATUR	SHORT TON	174.25	164.60	154.90	166.50	160.90	187.90
SOYBEAN MEAL, 44 PERCENT PROTEIN, ATLANTA	SHORT TON	195.00	192.00	173.10	187.25	180.80	212.60
SOYBEAN MEAL, 44 PERCENT PROTEIN, MEMPHIS	SHORT TON	181.10	173.00	159.30	171.50	168.40	201.70
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, DECATUR	SHORT TON	189.25	180.40	168.00	180.75	175.10	202.10
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, MEMPHIS	SHORT TON	200.00	190.60	177.70	191.25	182.50	215.00
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, ATLANTA	SHORT TON	208.50	203.70	180.30	201.90	195.85	227.60
OTHER FEEDS							
CORN GLUTEN MEAL, 60 PERCENT PROTEIN, CHICAGO	SHORT TON	246.25	222.50	206.00	211.90	220.00	233.00
MEAT AND BONE MEAL, 50 PERCENT PROTEIN, CHICAGO	SHORT TON	241.25	247.50	200.50	174.40	187.50	245.00
UREA, 45 PERCENT N., FEED GRADE, BULK, DLVD EAST	SHORT TON	167.50	167.50	167.50	167.50	167.50	167.50

1/ THIS PRICE APPLIES TO PEANUTS FOR EDIBLE USES.

SOURCES: COMPILED FROM CHEMICAL MARKET REPORTER, WALL STREET JOURNAL, FEEDSTUFFS, REPORTS OF THE STATISTICAL REPORTING SERVICE, AND AGRICULTURAL MARKETING SERVICE.

DROUGHT CUTS U.S. SOYBEAN OUTPUT...



△September Crop Report.

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